

Date

Name

Address

Dear Sir,

Sub: Appointment as an Independent Director of ZF Steering Gear (India) Ltd.

- 1) We are pleased to issue this Appointment Letter, in respect of your appointment as an Independent Director, as per the provisions of Section 149 of the Companies Act, 2013 (**the Act**) read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules 2014 (**the Rules**) and as required by the Listing Agreement.
- 2) You are appointed as an Independent Director on the Board of Directors of **ZF Steering Gear (India) Ltd. (the Company)** with effect from the date of passing of resolution by the Members of the Company in their ensuing Annual General Meeting to be held on _____.
- 3) Your term of appointment would be five years, i.e. up to _____ (date), unless otherwise terminated.
- 4) As per the provisions of Section 149(10) of the Act though your appointment is for five years the Members may consider your reappointment after expiry of the said term for the second term, subject to eligibility.
- 5) The Company expects that you would participate in all scheduled or routine meetings of the Board of Directors to the extent possible and guide, assist and contribute in the Board level deliberations on all strategic and other aspects being dealt with by the Board of Directors of the Company from time to time.
- 6) The Company presently has the following committees:-
 - (a) Audit Committee.
 - (b) Nomination and Remuneration Committee.
 - (c) Stakeholder's Relationship Committee.

- (d) Corporate Social Responsibility (CSR) Committee
- (e) Risk Management Committee

You are expected to act on Committee/s as may be decided by the Board of Directors from time to time and subject to applicable rules and regulations, including the conditions contained in the Listing Agreement executed by the Company with the Bombay Stock Exchange Limited (BSE).

- 7) Your task as the Committee Member would be to assist the Committee to perform the delegated task such as role of Audit Committee relating to financial and other matters, role of Remuneration Committee relating to decision about remuneration to be paid to working directors and Key Managerial Personnel.
- 8) You are expected to attend separate meeting of Independent Directors. The Company is expected to organize at least one such meeting in a year. The independent meeting may be held in the Company or any other place as may be decided jointly by the Independent Director.
- 9) You shall review the performance of Non-Independent Directors, performance of the Chairman of the Company and also of the key managerial personnel, based on information made available or furnished to the Board and give your opinion, if any, required by the Board.
Your performance shall be evaluated by the other Independent Directors on annual basis and the report would be submitted to the Company, which may be made available to the Members of the Company.
- 10) The Company would endeavour to update you in respect of legislative and other changes either by conducting training sessions or organizing presentation to Independent and other Directors or as may be required depending on the subject and context from time to time.

- 11) As you are aware the Company manufactures Power and Mechanical Steering Gears and also operates in the Renewable Energy sector. The turnover of the Company for the last five financial years is as under:-

(Rs. In million)

Year	Gross Turnover - without other Income	Other Income (Excluding Exceptional Income, if any)

- 12) You would observe the Code of Conduct of the Company in force from time to time. You shall not have any material, financial relationship with the Company or any of its Associated Companies.

The Company is not a subsidiary of any other Company nor is any other Company a subsidiary of this Company.

- 13) As intimated by you, presently none of your relatives is employed by the Company. If in future, any such employment occurs, in due course you shall intimate the Board about such appointment or any financial relation or business relation being created with the Company or with Associated Company of the Company, if any.
- 14) You should comply with all the rules and regulations applicable to an Independent Director as per the provisions of the Act, Listing Agreement as in force or Clause 49, which would become effective from October 1, 2014. Your attention is particularly drawn to the provisions of Section 195 of the Act and to the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.

- 15) You are expected to exercise total confidentiality in respect of the proceedings in the Board Meeting, data, information or documents of the Company or available to the Company and made available to you as a Director or any information observed by you as a Director of the Company. You shall be entitled to visit any offices of the Company or the Company's plant or to interact with any employee of the Company.

You shall be liable for breach of any of these obligations as per the provisions of the Act or other applicable legal provisions.

- 16) You shall intimate from time to time your appointment as a director or as a committee member of any company and ensure that your directorship is within the limits indicated in Section 165 of the Act.

Similarly, you are expected to file declaration of financial interest in the prescribed form from time to time and disclose your interest, if any, when any business is being transacted by the Board or any Committee of the Board of the Company.

You are also expected and required to file declaration, containing the prescribed details as per the provisions of Section 149(7) of the Act about the criteria which an Independent Director is required to comply with.

- 17) You shall be entitled to receive meeting fees, as may be determined by the Board from time to time, for attending meetings of the Board or any Committee thereof. You shall also be entitled to receive reimbursement of costs, including but not limited to travel or accommodation incurred by you for attending the meetings of the Board or of the Committees or when required to travel on Company's work. Such reimbursement shall be made by the Company on receipt of statement from you.

- 18) The Company does not have any insurance policy regarding professional liabilities of Directors.
- 19) You shall be entitled to resign from the directorship of the Company as per the provisions of Section 158 of the Act or Article 95 of the Articles of Association of the Company.
- 20) As per the mandatory provisions you should kindly accept the terms and conditions of appointment and forward an accepted copy of this letter, which shall be available for inspection of the Members of the Company and would also be posted on the website of the Company, which kindly note.
- 21) A Copy of the latest Annual Report of the Company and an updated copy of the Memorandum & Articles of Association of the Company along with the copies of Section 149 of the Act, Schedule IV of the Act and of the Rules, of the listing Agreement, including Clause 49, which has become effective from October 1, 2014 is attached, as a kit, for your reference.

Thanking you,

Yours faithfully,
For **ZF Steering Gear (India) Ltd.**

Chairman & Managing Director

I hereby acknowledge receipt of and accept the terms set out in this letter.

Signed: _____

Place: _____

Dated: _____