

September 23, 2023

Mr. Gajanan V. Gandhe  
Director  
704, Wellington, Hiranandani Estate,  
Ghodbundar Road, Thane,  
Maharashtra, 400607

**Sub: Appointment as an Independent Director of Minda Corporation Limited ("The Company")**

Dear Sir,

We are pleased to inform you that the Shareholders of Minda Corporation Limited ("**the Company**") at their postal ballot dated August 22, 2023, have approved your appointment as an Independent Director of the Company, as per the provisions of Sections 149, 150 and 152 read with Schedule IV of the Companies Act, 2013 ("**Act**") for a term of five consecutive years commencing from August 03, 2023.

In terms of the requirements of Section 149 read with Schedule IV to the Act, your appointment is being formalized through this letter of appointment.

This letter sets the terms and conditions of your appointment as an Independent Director. Your relationship with the Company will be that of an office-holder and not one of contract for employment in the Company.

**1. Appointment**

In accordance with the provisions of the Companies Act, 2013 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws (hereinafter referred to as "Relevant Laws"), you will serve as an Independent Director of the Board for a period of 5 (five) years with effect from August 03, 2023 to August 02, 2028. Your appointment is subject to the approval of shareholders.

**2. Board Committees**

2.1 As advised by the Board, during the tenure of office, you may be required to serve on one or more of the committees of the Board established by the Company. Upon your appointment to any one or more Committees, you will be provided with the appropriate Committee charter which sets out the functions of that Committee.

2.2 Currently, the Board has seven (7) Committees: Audit Committee (AC), Nomination and Remuneration Committee (NRC), Stakeholders Relationship Committee (SRC), Risk Management Committee (RMC), Corporate Social Responsibility and Sustainability Committee (CSRS), Executive Committee (EC) and Investment Committee (IC). The Board is responsible for constituting, assigning, co-opting and fixing terms of service for committee

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members. The chairperson of the Board, in consultation with the company secretary and the committee chairperson, determines the frequency and duration of the committee meetings. Normally, the Committees meet four/two times a year. The quorum for the Committee meetings is either two members of the committee or one-third of the members of the committee, whichever is higher.

### **3. Training**

You will be entitled to the benefit of a training program to familiarize yourself with the business and affairs of the Company, growth plans, the peculiarities of the industry in which the Company operates, its goals and expectations and long-term plans and objectives.

### **4. Disclosure of Interest**

Any material interest that a Director may have in any transaction or arrangements that the Company has entered into should be disclosed no later than when the transaction or arrangements comes up at a Board meeting so that the minutes may record your interest appropriately and our records are updated. A general notice that you are interested in any contract with a particular person, firm or Company is acceptable.

### **5. Publication of the Letter of appointment**

In line with provision of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the terms and conditions of your appointment will be displayed on the Company's website and will also be informed to Stock Exchanges.

### **6. Professional Conduct**

As an Independent director, you shall:

- (a) uphold ethical standards of integrity and probity;
- (b) act objectively and constructively while exercising your duties;
- (c) exercise your responsibilities in a bona fide manner in the interest of the Company;
- (d) devote sufficient time and attention to your professional obligations for informed and balanced decision-making;
- (e) not allow any extraneous considerations that may vitiate your exercise of objective independent judgement in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgement of the Board in its decision-making
- (f) not abuse your position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person.
- (g) refrain from any action that could lead to a loss of your independence;
- (h) ensure that if circumstances arise under which you may lose your independence, you will immediately inform the Board accordingly, and
- (i) assist the Company in implementing the best corporate governance practices.

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## **7. Functions, Responsibilities and Duties of Directors**

### **a. Functions**

- (a) To review the Company's strategy, the annual financial plan and monitor the Company's performance:

The primary role of the members of the Board is to exercise their business judgment to act in what they believe to be the best interests of the Company and its shareholders. It is the duty of the Board to ensure that the Management performs with competence and values to achieve the objectives of the Company. Generally, the Board meets once a quarter. The quarterly meeting of the Board includes updates on the business, financial and business-enabler functions and discussions on such updates. The Audit Committee of the Board reviews the Company's financials and recommends the same to the Board for its acceptance. The Board monitors the Company's performance against its annual financial plan at its quarterly meetings as well as at the end of the financial year.

- (b) To review management performance and compensation:

The Nominations and Remuneration Committee of the Board evaluates the performance of the Executive Directors of the Company and recommends their compensation for the ensuing year to the Board. Such compensation may include stocks, options and variable pay.

- (c) To review and decide on succession planning of Executive Directors of the Company:

The Nominations and Remuneration Committee of the Board works with the Board to develop an orderly plan for the succession of leadership of the Board and the Executive Directors of Company. The committee develops contingency plans for succession in the case of exigencies.

- (d) To advice and counsel the Management:

The Board should be composed of individuals whose knowledge, background, experience and judgment are valuable to the Company. They should also be capable of providing advice to the executive officers of the Company. Members of the Board have full access to the Management (executive officers) and other employees as well as to the Company's records and documents. The Board may also seek legal or other expert advice from a source independent of the Management.

- (e) To monitor and manage potential conflicts of interests of the Management:

The Audit Committee of the Board reviews and approves related party transactions, as required under the applicable laws and / or the rules of the Stock Exchanges or any of the Indian stock exchanges or any government agencies applicable to the Company.

- (f) To oversee and ensure the integrity of financial information and legal compliance:

The Audit Committee of the Board oversees the Company's accounting and financial reporting

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processes and the audit of the Company's financial statements and assists the Board in the overseeing of (1) the integrity of the Company's financial statements, (2) the Company's compliance with legal and regulatory requirements, (3) the independent auditor's qualifications, independence and performance, and (4) the Company's internal accounting and financial controls.

b. Responsibilities

Independent directors have the same general legal responsibilities to the Company as that of any other director. The Board, as a whole, is collectively responsible for ensuring the success of the Company by directing and supervising the Company's affairs.

The Board:

- (a) provides entrepreneurial leadership of the Company within a framework of prudent and effective controls which enable risk to be assessed and managed;
- (b) sets the Company's strategic aims, ensures that the necessary financial and human resource requirements are in place for the Company to meet its objectives, and reviews management performance;
- (c) sets the Company's values and standards, ensures that its obligations to its shareholders and others are understood and met by the Company.

In addition to the criteria mentioned in the previous sections for the induction of directors, the role of independent directors also includes tracking, reviewing and providing feedback on:

- (a) Strategy: Independent directors to constructively contribute to the development of the Company strategy;
- (b) Performance: Independent directors to oversee the performance of the Management in meeting agreed goals and objectives and monitor the reporting of performance;
- (c) Risk: Independent directors to evaluate and ensure that financial information is accurate, and that financial controls and systems of risk management are robust and defensible;
- (d) Stakeholders: Independent directors to balance the conflicting interest of the stakeholders, including minority shareholders. In the event of any conflict, they shall moderate and arbitrate in the interest of the Company as a whole.
- (e) ESG: Independent directors to contribute to the ESG strategy.

c. Duties

As an Independent Director, you shall:

- (a) undertake the appropriate induction into the Board and regularly update and refresh your

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- skills, knowledge and familiarity with the Company;
- (b) Enroll yourself into an online data bank and pass an online self-assessment proficiency test conducted by the Indian Institute of Corporate Affairs, within stipulated timelines, as may be applicable;
  - (c) seek appropriate clarification and, where necessary, seek and follow appropriate professional advice from external experts at the expense of the Company;
  - (d) strive to attend every meeting of the Board and of the Board committees of which you are a member;
  - (e) actively and constructively participate in the Board committees of the Board in which you may be a member or the Chairperson;
  - (f) strive to attend the general meetings of the Company;
  - (g) ensure that any concerns that you may have about the running of the Company are addressed by the Board and seek inclusion of these concerns in the Board minutes to the extent these concerns are not resolved;
  - (h) keep yourself well informed about the Company and the external environment in which it operates;
  - (i) not unfairly obstruct the functioning of an otherwise proper Board or committee;
  - (j) ensure that related party transactions are considered carefully before they are approved and are in the interest of the Company;
  - (k) ensure that the whistleblower function of the Company is functioning adequately;
  - (l) report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics;
  - (m) within your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees, and
  - (n) not disclose any confidential information unless such disclosure is expressly approved by the Board or required by law.

## **8. Fees**

- a. The compensation of the non-executive/independent directors is approved at a meeting of the full Board. The total compensation payable to the entire group of non-executive/independent directors is limited to a fixed amount per year determined by the Board. This amount shall not exceed 1% of the net profit of the Company for the year calculated as per the provisions of the Companies Act,

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2013.

- b. The criteria for payment of annual compensation to non-executive/independent directors are as follows:

| Board/Committee Meeting | Board Meeting | Audit Committee | NRC Committee | CSR Committee | Stakeholders Relationship Committee | Other Committees |
|-------------------------|---------------|-----------------|---------------|---------------|-------------------------------------|------------------|
| Amount in Rs.           | 55,000        | 45,000          | 30,000        | 30,000        | 30,000                              | 30,000           |

*Note: The Company normally has five regular Board meetings in a year. Independent directors are expected to attend all Board meetings and the AGM.*

*The payment is subject to deduction of tax at source (TDS) as required by applicable tax laws. In case if any tax is deducted at source as per applicable tax laws, a certificate as prescribed by law will be issued for the amount of tax withheld. The company shall seek necessary and relevant tax documents as per applicable law in seeking waiver or reducing any applicable withholding taxes.*

#### 9. D & O Insurance

The Company maintains a Directors and Officers insurance policy (D & O policy) to pay for the personal liability of directors and officers for claims made against them while serving on the Board of the Company.

#### 10. Term

Independent directors are eligible to serve for a period of two terms of up to 5 years each or until he/she has attained the maximum age of retirement as prescribed under the relevant laws, whichever is earlier. Provided that the term of the persons holding these positions may be extended beyond the maximum age in the manner specified under the relevant laws.

#### 11. Memberships of other boards

It is expected that you will not serve on the boards of competing companies. Apart from the applicable law and good corporate governance practices, there are no other additional limitations.

#### 12. Information on meetings

- a. Scheduling and selection of agenda items for Board meetings

Dates for the Board meeting for the ensuing year are decided in advance and published in the Annual Report. Generally, the Board meetings are held at the Company's Corporate Office at

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Noida. The Chairman & CEO, and the Company Secretary, in consultation with the Chief Financial Officer (CFO), draft the agenda for each meeting, along with explanatory notes, and distribute it in advance to the Board members. Every Board member is free to suggest the inclusion of items on the agenda. Normally, the Board meets once a quarter to review the quarterly results and other items on the agenda. The Board also meets during the annual shareholders' meeting. Additional meetings are held based on need.

The Board, being represented by non-executive/independent directors from various parts of the globe, it may not be possible for each one of them to be physically present at all the Board meetings. The Company provides video / teleconference facilities to facilitate participation.

b. Availability of information to the Board

The Board has full and unfettered access to any information of the Company, and to any employee of the Company. At Board meetings, the Board invites managers of the Company when additional details into the items being discussed are required.

c. Independent directors' discussion

The Board's policy is to have regular "independent directors only" meetings so that they can have a full and frank discussion on the performance of the Company, risks faced by the Company, and the performance of executive members of the Board including the chairperson. The Lead Independent Director presides over such meetings and may invite the chairman, any whole-time director and any senior management personnel to make presentations on relevant issues.

### **13. Mechanism for evaluating Board members**

The Chairperson of the Nominations and Remuneration Committee conducts an annual Board evaluation and a peer evaluation survey to assess the performance of the Board as a whole and that of individual Board members. Performance is assessed based on clearly defined objective criteria.

a. Independent Board Members

The evaluation is done on a three-point scale. Independent directors have three key roles — Governance, Control and Guidance. Some of the performance indicators based on which the independent directors are evaluated are:

- i. Ability to contribute to and monitor our corporate governance practices;
- ii. Ability to contribute by introducing international best practices to address top-management issues;
- iii. Active participation in long-term strategic planning;
- iv. Commitment to the fulfilment of a director's obligations; and
- v. Fiduciary responsibilities.

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b. Executive Board Members

The performance appraisal system for Whole-time directors provides for the alignment of the directors' targets with those of the Company through a set of key performance indicators (KPIs) that are objective, rigorous and structured.

**14. Retirement policy**

The Company shall appoint or continue the employment of a person as Managing Director / Whole-time Director and non-executive Director who has not attained the maximum age of retirement as prescribed under relevant laws.

**15. Dealing in shares and Code of Conduct**

Directors are *prohibited* from dealing in the Company's shares during the period when the trading window is closed. Further, directors, being designated officers of the Company for the purpose of insider trading guidelines, are to pre-clear all trades (buy/sell/gift) from the Compliance Officer of the Company. You are required to comply with the applicable insider trading laws and regulations. You are also required to comply with the Company's *Code of Conduct and Ethics*.

**16. Corporate calendar**

The corporate calendar and the Board meeting dates shall be intimated in advance from time to time.

**17. Trading window closure**

The Company shall specify a trading period, to be called "trading window", for trading in the Company's securities. When the trading window is closed the directors shall not trade in the Company's securities in such period.

The trading window shall be closed during the following time periods when the information is unpublished:

- i. Declaration of financial results (quarterly, half-yearly and annually)
- ii. Declaration of dividends (interim and final)
- iii. Issue of securities by way of public/rights/bonus etc.
- iv. Any major expansion plans or execution of new projects
- v. Amalgamations, mergers, takeovers and buy-back
- vi. Disposal of whole or substantially whole of the undertaking
- vii. Any material changes in policies, plans or operations of the Company

The time for commencement of closing of trading window shall be decided by the Company. The trading window shall be opened 48 hours after the information referred to above is made public.

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**18. General**

This Letter and any non-contractual obligations arising out of or in connection with the Letter are governed by, and shall be construed in accordance with the laws of India, and the parties agree to submit to the exclusive jurisdiction of the courts of Delhi.

Please confirm your agreement to the above by signing and returning the enclosed duplicate copy of this Letter.

We are confident that the Board and the Company will benefit immensely from your rich experience. We are sure that with your continued guidance and support, the Company will be able to accomplish its goals and objectives. If these terms of appointment are acceptable to you, please confirm your acceptance by signing and returning the enclosed copy of this letter.

Yours sincerely,

Sd/-  
**Ashok Minda**  
**Chairman & Group CEO**  
**Minda Corporation Limited**

I have read and agree to the above terms regarding my appointment as an Independent Director of Minda Corporation Limited.

Sd/-  
**Gajanan V. Gandhe**  
**Independent Director**  
**DIN: 02023395**

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