

Date:

To,
Director

Dear Madam,

Sub: Appointment as Independent Director

We thank you for your confirmation to M/s. Bombay Cycle & Motor Agency Limited (the "**Company**") that you meet the "independence" criteria as envisaged in Section 149(6) of the Companies Act, 2013 ("**2013 Act**") and also for your consent to hold office as a Director of the Company.

Pursuant to your confirmation, we are pleased to confirm that upon the recommendation of the Nomination and Remuneration Committee, the Board and the Shareholders have approved your appointment as an Independent Director on the Board of the Company.

This letter sets out the terms 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.

The terms of your appointment, as set out in this letter, are subject to the extant provisions of the (i) applicable laws, including the Companies Act, 2013 and (ii) Articles of Association of the Company ("**AOA**").

1. Appointment

Your appointment will be for an initial term up to the conclusion of the Annual General Meeting to be held in the Year 2019, unless terminated earlier or extended, as per the provisions of this letter or applicable laws ("**Term**").

As an Independent Director you will not be liable to retire by rotation.

Re-appointment at the end of the Term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the Shareholders. Your re-appointment would be considered by the Board based on the outcome of the performance evaluation process and you continuing to meet the independence criteria.

As per the Board's current assessment, you will continue as Chairman / Member of the following Committees:

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The Board may reconstitute the composition of any/all Committees, from time to time, and any such change shall be promptly communicated to you. In such an event you may also be required to serve on other Committees of the Board.

2. Functions, responsibilities and duties of Directors

2.1. Functions

- (a) To review the Company's strategy, the annual financial plan and monitor the Company's performance;
- (b) To review management performance and compensation;
- (c) To review and decide on succession planning of executive officers of the Company;
- (d) To advice and counsel the Management;
- (e) To monitor and manage potential conflicts of interests of the Management;
- (f) To oversee and ensure the integrity of financial information and legal compliance.

2.2. 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.

The role of Independent Directors also includes tracking, reviewing and providing feedback on the following:

- (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) People: Independent directors responsible for determining the appropriate levels of remuneration of executive directors and the process of succession planning. They also have a prime role in appointing, and, where necessary, removing senior management.
- (e) 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.

2.3. Duties

As an Independent Director, you shall:

- (a) undertake the appropriate induction into the Board and regularly update and refresh your skills, knowledge and familiarity with the Company;
- (b) seek appropriate clarification and, where necessary, seek and follow appropriate professional advice from external experts, if required, at the expense of the Company;
- (c) strive to attend every meeting of the Board and of the Board committees of which you are a member;
- (d) actively and constructively participate in the Board committees of the Board in which you may be a member or the Chairperson;
- (e) strive to attend the general meetings of the Company;
- (f) 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;
- (g) keep yourself well informed about the Company and the external environment in which it operates;
- (h) not unfairly obstruct the functioning of an otherwise proper Board or committee;

- (i) ensure that related party transactions are considered carefully before they are approved and are in the interest of the Company;
- (j) ensure that the whistleblower function of the Company is functioning adequately;
- (k) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct;
- (l) within your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- (m) not disclose any confidential information unless such disclosure is expressly approved by the Board or required by law;

2.4. You shall abide by the 'Code For Independent Directors' as outlined in Schedule IV to section 149(8) of the Companies Act, 2013, and duties of directors as provided in the Companies Act, 2013 (including Section 166).

2.5. You will also be responsible for providing guidance in the area of your expertise.

3. Time Commitment

Considering the nature of the role of a director, it is difficult for a company to lay down specific parameters on time commitment. You agree to devote such time as is prudent and necessary for the proper performance of your role, duties and responsibilities as an Independent Director.

4. Remuneration

As an Independent Director you shall be paid sitting fees for attending the meetings of the Board and the Committees of which you are a member. The sitting fees payable to you are as follows:

- Board - ₹ 5,000/- per meeting
- Committee - ₹ 5,000/- per meeting

Further, the Company may pay or reimburse to you such fair and reasonable expenditure, as may have been incurred by you while performing your role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by you for attending Board/ Committee meetings, Annual General Meetings, Extraordinary General Meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the Company for Directors) and in obtaining, subject to prior consultation with the Board, professional advice from independent advisors in the furtherance of your duties as an Independent Director. You will also be entitled to receive the commission as may be decided by the Nomination & Remuneration Committee / Board of Directors of the Company.

5. Directors & Officers (D & O) insurance

Presently the Company has no D & O liability Insurance policy. However, if the Company takes such a policy in future then a copy of the same will be supplied to you.

6. Retirement Policy

The age of Retirement for executive directors and Independent Directors will be decided by the Nomination & remuneration Committee. However, the Nomination and Remuneration Committee may, at its discretion, determine their continuation as members of the Board upon superannuation/retirement.

7. Code of Conduct

As an Independent Director of the Company, you agree to comply with the Code of Conduct for Non-Executive Directors (NEDs). For your reference, the Code of Conduct for Non- Executive Directors is outlined below:

- Non-Executive Directors of a Company will always act in the interest of the Company and ensure that any other business or personal association which they may have, does not involve any conflict of interest with the operations of the Company and his/ her role therein,
- Non-Executive Directors will comply with all applicable laws and regulations of all the relevant regulatory and other authorities as may be applicable to such Directors in their individual capacities,
- Non-Executive Directors will safeguard the confidentiality of all information received by them by virtue of their position.

Unless specifically authorised by the Company, you shall not disclose company and business information to public constituencies such as the media, the financial community, employees, shareholders, agents, franchises, dealers, distributors and importers.

Your obligation of confidentiality shall survive termination or cessation of your directorship with the Company.

We would also like to draw your attention to the applicability of both, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 / 2015 and the Code of Conduct on Prevention of Insider Trading Policy of the Company, prohibiting disclosure or use of unpublished price sensitive information.

Additionally, you shall not participate in any business activity which might impede the application of your independent judgment in the best interest of the Company.

All Directors are required to sign a confirmation of acceptance of the Code of Conduct for NEDs on annual basis.

8. Induction and Development

The Company shall, if required, conduct formal induction program for its Independent Directors which may include any or all of the following:

- Board roles and responsibilities, whilst seeking to build working relationship among the Board members,
- Company's vision, strategic direction, core values and corporate governance practices,
- Familiarization with financial matters, management team and business operations,
- Meetings with stakeholders, visits to business locations and meetings with senior and middle management.

The Company shall, as may be required, support Directors to continually update their skills and knowledge and improve their familiarity with the company and its business. The Company will, if required, fund/arrange for training on all matters which are common to the whole Board.

9. Performance Appraisal /Evaluation Process

As a member of the Board, your performance as well as the performance of the entire Board and its Committees shall be evaluated annually. Evaluation of each director shall be done by all the other directors. The criteria for evaluation shall be determined by the Nomination and Remuneration Committee and disclosed in the Company's Annual Report. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committee.

10. Disclosures, other directorships and business interests

During the Term, you agree to promptly notify the Company of any change in your directorships, and provide such other disclosures and information as may be required under the applicable laws. You also agree that upon becoming aware of any potential conflict of interest with your position as Independent Director of the Company, you shall promptly disclose the same to the Chairman and the Company Secretary. Please confirm that as on date of this letter, you have no such conflict of interest issues with your existing directorships.

During your Term, you agree to promptly provide a declaration under Section 149(7) of the Companies Act, 2013, upon any change in circumstances which may affect your status as an Independent Director.

11. 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 Chairman & Managing Director of the Company and the Compliance Officer. 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.

12. Changes of personal details

During the Term, you shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

13. Termination

Your directorship on the Board of the Company shall terminate or cease in accordance with law. Apart from the grounds of termination as specified in the Companies Act, 2013, your directorship may be terminated for violation of any provision of the Companies Code of Conduct as applicable to Non-Executive Directors.

You may resign from the directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation. The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by you in the notice, whichever is later.

If at any stage during the Term, there is a change that may affect your status as an Independent Director as envisaged in Section 149(6) of the Companies Act, 2013, or, if applicable, you fail to meet the criteria for "independence" under the provisions of Clause 49 of the Listing Agreement, you agree to promptly submit your resignation to the Company with effect from the date of such change.

14. Co-operation

In the event of any claim or litigation against the Company, based upon any alleged conduct, act or omission on your part during your Term, you agree to render all reasonable assistance and cooperation to the Company and provide such information and documents as are necessary and reasonably requested by the Company or its counsel.

15. Miscellaneous

- This letter represents the entire understanding, and constitutes the whole agreement, in relation to your appointment and supersedes any previous agreement between yourself and the Company with respect thereto and, without

prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom.

- No waiver or modification of this letter shall be valid unless made in writing and signed by you and the Company.

16. Acceptance of Appointment

We are confident that your association, expertise and advice will immensely benefit the Company and the Board. Please confirm your acceptance by signing and returning the enclosed copy of this letter.

We thank you for your continued support and commitment to the Company.

Yours Sincerely,

For **Bombay Cycle & Motor Agency Limited**

Chirag C. Doshi
Chairman & Managing Director

AGREE AND ACCEPT

I have read and understood the terms of my appointment as an Independent Director of the Company and I hereby affirm my acceptance to the same.

Director

Place: Mumbai

Date: