

## **TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS**

The relationship of independent director with the Company will be that of an office-holder and not one of contract for employment in the Company.

The terms and conditions of appointment of an independent director, as set out in this letter, are subject to the provisions of the (i) applicable laws, including Companies Act, 2013 Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) and (ii) Articles of Association of the Company ("**AOA**").

### **1. Appointment**

The appointment of independent director shall be for a period 5(five) consecutive years, unless terminated earlier or extended, as per the provisions of this letter or applicable laws ("**Term**").

Independent Director will not be liable to retire by rotation.

Re-appointment for another term of maximum period of five years at the end of the current term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the Shareholders by way of Special Resolution. Re-appointment would be considered by the Board based on the outcome of the performance evaluation process and continuing to meet the independence criteria.

### **2. Role, Duties and Responsibilities**

A. As member of the Board independent director along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:

- Requirements under the Companies Act, 2013,
- Responsibilities of the Board as outlined in the Corporate Governance requirements as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,
- Accountability under the Directors' Responsibility Statement,
- Overseeing the maintenance of high standards of Atlas values and ethical conduct of business,
- Overseeing the Company's contribution to enhancing the quality of life of communities,
- Actively participating in all agenda items presented in Board Meetings.

B. Independent Director shall abide by the 'Code for Independent Directors' as outlined in Schedule IV to section 149(8) of the 2013 Act, and duties of directors as provided

in the 2013 Act (including Section 166) and in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. For your ready reference, the relevant provisions have been extracted and attached to this letter at **Annexure 1**.

### **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 as fixed by the Board from time to time.

In addition to the sitting fees, profit related commission may also be payable to you as may be decided by the Board of Directors. In determining the amount of this commission, the Nomination and Remuneration Committee may consider various factors as disclosed in the remuneration policy forming part of the Board's report. An indicative list of the factors that may be considered are as follows:

- Attendance at Board meetings,
- Attendance at Board Committee meetings,
- Chairmanship of the Board,
- Chairmanship of Board Committees,
- Contribution at Board and Committee meetings,
- Guidance and support provided to senior management of the Company outside of Board meetings,
- Industry practices,
- Performance evaluation and
- Performance of the Company.

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.

### **5. Atlas Code of Conduct**

As an Independent Director of the Company, you agree to comply with the Atlas Code of Conduct for Directors and Senior Management Members. For your reference, the Code of Conduct can be accessed at the Company Website [www.atlasbicycles.com](http://www.atlasbicycles.com).

You also agree to comply with the Company's Code of Conduct for Prevention of Insider Trading.

## **6. 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, ethics 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 fund/arrange for training on all matters which are common to the whole Board.

## **7. 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. An indicative list of factors that may be evaluated as part of this exercise is:

- Participation and contribution by a director,
- Commitment (including guidance provided to senior management outside of Board / Committee meetings),
- Effective deployment of knowledge and expertise,
- Effective management of relationship with stakeholders,
- Integrity and maintenance of confidentiality,
- Independence of behavior and judgment, and
- Impact and influence.

## **8. 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 2013 Act, every year and upon any change in circumstances you agree to provide a declaration within 20 days which may affect your status as an Independent Director.

## **9. 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.

## **10. 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 2013 Act, your directorship may be terminated for violation of any provision of the Code of Conduct as applicable to the Directors.

You may resign from the directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation and also to Registrar of Companies (RoC). 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 2013 Act or, if applicable, you fail to meet the criteria for "independence" under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, you agree to promptly submit your resignation to the Company with effect from the date of such change.

## **11. 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 co-operation to the Company and provide such information and documents as are necessary and reasonably requested by the Company or its counsel.

## **12. 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 by 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.

As per the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this letter along with your detailed profile shall be disclosed on the website of the Company and the relevant stock exchange.

## **13. Acceptance of Appointment**

We are confident that the Board and the Company will benefit immensely from your rich experience and we are eager to have you as an integral part of the growth of our Company. If these terms of appointment are acceptable to you, please confirm your acceptance by signing and returning the enclosed copy of this letter.