

TERMS AND CONDITIONS OF APPOINTMENT OF NON-EXECUTIVE INDEPENDENT DIRECTORS OF HONDA CARS INDIA LIMITED (HCIL)

1. Appointment

Appointment of an Independent Director is subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013 (hereinafter referred to as “the Act”).

The term ‘Independent Director’ should be construed as defined under the Act.

The appointment as an Independent Director will be for a term of five consecutive years, unless terminated earlier as per provisions of the letter of appointment or applicable laws.

Re-appointment for another term of maximum period of five years at the end of the first term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to necessary approval(s) of the Board and the Shareholders.

An Independent Director will not be an employee of the Company and the letter of appointment shall not constitute a contract of employment.

2. Committees

As per the Board’s assessment, an Independent Director may be required to serve as Chairperson/Member of one or more Board Committees.

The Board may re-constitute the composition of any/all Committees, from time to time, and any such change shall be communicated to the Independent Director. The Board may, if it deems fit, invite him/her for being appointed on one or more Board Committees that is set up in the future. The appointment of an Independent Director on such Committee(s) will be subject to the applicable regulations.

3. Time Commitment

By accepting the appointment, Independent Director agree to devote such time as is prudent and necessary for the proper performance of his/her role, duties and responsibilities as a Non-executive Independent Director.

4. Role, Functions, Duties and Responsibilities

An Independent Director shall abide by the ‘Code for Independent Directors’ as laid down in Schedule IV to the Act (as amended from time to time) and duties of directors as provided in the Act (including Section 166), which shall be deemed to have been incorporated in the letter of appointment as its integral part.

Further, as a Non-executive Independent Director he/she should keep compliance with the applicable laws, rules and regulations under review and the conformity of HCIL practices to accepted norms and to assist HCIL in implementing the best corporate governance practices.

5. Liabilities

As per provisions of the Act, an Independent Director shall be held liable only in respect of such acts of omission or commission by the Company which had occurred with his/her knowledge, attributable through Board processes and with his/her consent or connivance or where he/she had not acted diligently.

6. Fees/reimbursement of expenses

An Independent Director will be paid such remuneration by way of sitting fees for attending meetings of the Board and its Committees as may be decided by the Board from time to time.

Further, the Company shall pay or reimburse to him/her such fair and reasonable expenditure, as may have been incurred by him/her for participation in meetings of the Board, Committees of Board (of which he/she is Member) and general meetings of members.

7. Conflict of Interest

It is accepted and acknowledged that an Independent Director may have business interests other than those of the Company. As a condition of appointment, he/she is required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of his/her appointment. However, it is expected that he/she will not serve on the Board of competing companies.

In the event that his/her circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgment about his/her independence, this should be disclosed to both the Chairman and the Company Secretary.

8. Evaluation

The performance of an Independent Director shall be evaluated periodically in terms of provisions of the Act.

9. Compliance with Company's Policies/Code

As an Independent Director, he/she will follow the Company's Policies and Code of Conduct, as may be applicable.

10. Termination

- a. Independent Director may resign from his/her position at any time and in case he/she wishes to do so, he/she is required to serve a reasonable written notice on the Board.
- b. Continuation of appointment as an Independent Director is contingent upon getting elected/re-elected by the shareholders in accordance with provisions of the Act and the Articles of Association of the Company from time to time in force.
- c. Appointment of an Independent Director may also be terminated in accordance with the provisions of the Act and the Articles of Association of the Company from time to time in force.