TKIL Industries Pvt. Ltd.
(formerly known as thyssenkrupp Industries India Pvt. Ltd.)
Pimpri, Pune 411 018, India

To
Mr. Pradip Shah,
G-3, Scheherazade
Justice Vyas Road
Colaba, Mumbai 400 005

SEC: MV

10th February 2025

Subject: Your appointment as an Independent Director

We are pleased to inform you that, the Board of Directors ('the **Board**') of TKIL Industries Private Limited, formerly known as thyssenkrupp Industries India Private Limited ('the Company') vide circular resolution approved on 13th January 2025 have approved your appointment as an Independent Director of the Company ('**Independent Director**'). This letter sets out the terms of your appointment.

1. **Appointment**

In accordance with the provisions of the Companies Act, 2013 and other applicable laws, you will serve as an Independent Director of the Board up to 5 years commencing from 13th January 2025 and ending on 12th January 2030. Your appointment is subject to the approval of Members in the upcoming Annual General Meeting.

2. **Board committees**

2.1. You have been appointed as member of Audit Committee and Nomination & Remuneration Committee and during the tenure of your office, you may be required to serve on other board committees as may be decided by the Board.

2.2. The Board is responsible for constituting, assigning, co-opting and fixing terms of service for committee members. Chairperson of the Board, in consultation with the committee Chairperson, determines the frequency and duration of the committee meetings. Recommendations of the committees are submitted to the Board for approval.

3. **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 judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision-making;

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(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;

(i) assist the Company in implementing the best corporate governance practices.

4. Functions, Responsibilities and Duties of Directors

4.1. 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:

It will be the responsibility of the Nomination and Remuneration Committee of the Board to evaluate the performance of the Directors and executive officers of the Company and recommend their compensation for the year to the Board.

(c) To review and decide on succession planning of executive officers of the Company:

It is the responsibility of the Nominations and Remuneration Committee of the Board to closely work with the Board to develop an orderly plan for the succession of leadership of the Board and the executive officers of Company. The committee is expected to develop 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 will review and approve related party transactions, as required under the applicable laws and / or the rules including those of 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 will oversee the Company's accounting and financial reporting processes and the audit of the Company's financial statements and will assist 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) Statutory Auditor's qualifications, independence and performance, and (4) the Company's internal accounting and financial controls.

4.2 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.

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) People: Independent directors are 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.

4.3 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 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) report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics;

(k) within your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;

(l) not disclose any confidential information unless such disclosure is expressly approved by the Board or required by law.

5. Remuneration:

5.1 You will be paid such remuneration by way of sitting fees for attending meetings of the Board and its Committees, Commission on net profits as may be decided by the Board and approved by the Shareholders from time to time.

5.2 Reimbursement of Expenses:

In addition to the remuneration described, hereinabove, the Company will, for the period of your appointment, reimburse you for travel, hotel and other incidental expenses incurred by you in the performance of your role and duties.

6. Insurance

The Company has obtained Directors' and Officers' liability insurance policy and Company shall maintain such cover for the full term of your appointment.

7. Term

Subject to applicable laws and decision of the Board, independent directors are eligible to serve for a period of two terms of 5 years each.

8. 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.

9. Information on meetings

9.1 Scheduling and selection of agenda items for Board meetings

Dates of board meetings are fixed after consultation with all board members and Committee meeting dates are fixed after consultation of committee members. Agenda or each meeting, along with explanatory notes, is distributed 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. Additional meetings are held based on need.

9.2 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.

9.3 Independent directors' discussion

The Board's policy is to have at least one "independent directors only" meetings in a financial year 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.

10. Mechanism for evaluating Board members

It is the responsibility of The Chairperson of the Nominations and Remuneration Committee to conduct 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. This is in line with the Company's policy of being data-oriented in every transaction and decision. Performance is measured against commitments and best-in-class benchmarks.

10.1 Evaluation of Independent Board Members

Some of the performance indicators based on which the independent directors are evaluated are:

(a) Ability to contribute to and monitor our corporate governance practices;

(b) Ability to contribute by introducing international best practices to address top-management issues.
(c) Active participation in long-term strategic planning;
(d) Commitment to the fulfillment of a director's obligations; and
(e) Fiduciary responsibilities.

10.2 Executive Board Members

The performance appraisal system for executive 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.

It is a pleasure to have you on Board. We are confident that your association, expertise and advice will immensely benefit the Company and the Board.

Thanking you,

Yours faithfully,
TKIL Industries Private Limited
(formerly known as thyssenkrupp Industries India Private Limited)

Vikram Swarup
Chairman