



MAJOR TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

The terms and conditions of appointment of the Independent Directors of BMW India Financial Services Private Limited are governed by the Companies Act, 2013, RBI guidelines and the internal code of conduct of BMW group.

The details of the Independent Directors on the Board of the Company are as follows:

S. No.	Name of Director	DIN	Tenure
1.	Mr. Guido Johannes Christ	3268438	13 th March, 2015 to 12 th March, 2020
2	Ms. Saskia Maria Luisa Bonenberger	7121106	13 th March, 2015 to 12 th March, 2020

MAJOR TERMS AND CONDITIONS OF APPOINTMENT:

A. APPOINTMENT

1. The terms of your appointment as set out in this letter are subject to the extant provisions of (i) applicable laws including Companies Act, 2013 (hereinafter referred to as **the Act**), and (ii) Articles of Association of the Company.
2. During your tenure as an Independent Director, you have to file a declaration at the first meeting of the board every financial year under Section 149(7) of the Companies Act, 2013 stating that all the criteria of independence provided under Section 149 (6) of the Act have been met and Declaration at the end of every Financial year as per the Fit and Proper Policy of the Company.
3. You shall not be liable to retire by rotation as per the provisions of Section 149 (13) of the Act.
4. The continuance of the directorship shall be dependent on satisfaction of the criteria mentioned under Section 149 (6) of the Act and the criteria of the Fit and Proper Policy of the Company formulated under the Reserve Bank of India (RBI) guidelines.
5. So long as you are associated with this Company as an Independent Director, the number of Companies in which you are a Director/Chairman/Committee member shall not exceed the prescribed limit under the Act and other applicable regulations.
6. Upon termination of directorship by resignation or otherwise, you shall not be entitled to any compensation for loss of office.

Company
BMW India
Financial Services
Private Limited
CIN U65921HR2009FTC039654

A BMW Group Company

Regd. Office Address
DLF Cyber City - Phase II
Building No. 10 - Tower C
14th Floor
Gurgaon, 122 002
India
Tel: +91 124 4958 600
Fax: +91 124 4958 602
Email: Vikas.Arora@bmw.in
<http://www.bmw.in>

Bank details
Citi Bank N.A.-India
17716018
IFSC-Code
CITI0000002

7. You shall also be subject to the operational standards established by BMW group as may be applicable from time to time to the Directors of the Company.

B. EXPECTATION OF THE BOARD:

1. The Board shall meet minimum four times in a year. In addition Committee Meetings like Audit Committee, Nomination and Remuneration Committee and other Committees meetings take place as and when required. You are expected to attend Board, Committee and shareholders meetings in which you are appointed as an Independent Director. You are expected to devote your time and expertise as appropriate to the position of Independent Directors in a Company.
2. You shall use such degree of skill as may be reasonable to expect from a person with his / her knowledge or experience.
3. You shall in the performance of your duties take such care as you might be reasonably expected to take on your own behalf and exercise any power vested in good faith and in the interests of the Company.
4. You shall keep yourself informed about the business, activities and financial status of the Company to the extent disclosed.
5. You shall attend meetings of the Board and Committees thereof (collectively for the sake of brevity hereinafter referred to as "Board") with fair regularity and conscientiously fulfill your obligations as director of the Company.
6. You shall not seek to influence any decision of the Board for any consideration other than in the interests of the Company.
7. You shall bring independent judgment to bear on all matters affecting the Company brought before the Board including but not limited to statutory compliances, performance reviews, compliances with internal control systems and procedures, key executive appointments and standards of conduct.
8. You shall in exercise of your judgment in matters brought before the Board or entrusted to you by the Board be free from any business or other relationship which could materially interfere with the exercise of your independent judgment.
9. You shall express your views and opinions at Board meetings without any fear or favour and without any influence on exercise of his / her independent judgment.
10. All the Independent Directors shall meet and hold at least one meeting in a year without the attendance of non-independent Directors and members of the management of the Company.

C. COMMITTEES

You have been nominated to serve the following Committees:

1. Audit Committee: As member of this committee, you shall have power and authority to monitor and provide effective supervision of the financial reporting processes, personnel associated with such processes including external and internal auditors and officers of

the Company, and the financial controls and systems to ensure integrity of the financial condition of the Company and accurate and timely disclosures.

2. Nomination and Remuneration Committee: As a member of this committee, you shall be responsible to contribute to the selection and appointment of Fit and Proper person to the board of the Company and to provide effective supervision, process of the remuneration of the Senior Management and Key Managerial Persons.

D. ROLE AND DUTIES

Your role and duties will be those normally required of an Independent Director, inter alia, under the Companies Act, 2013 and the RBI regulations. There are certain duties prescribed for all Directors which are fiduciary in nature and are summarized as under.

The Independent Directors shall:

1. Help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
2. Bring an objective view in the evaluation of the performance of board and management.
3. Scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.
4. Satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible.
5. Safeguard the interests of all stakeholders, particularly the minority shareholders.
6. Balance the conflicting interest of the stakeholders.
7. Determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management.
8. Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.
9. Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company.
10. Seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company.
11. Strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member.

12. Participate constructively and actively in the committees of the Board in which they are chairpersons or members.
13. Strive to attend the general meetings of the company.
14. Where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting.
15. Keep themselves well informed about the company and the external environment in which it operates.
16. Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board.
17. Pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company.
18. Ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use.
19. Report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy.
20. Acting within authority, assist in protecting the legitimate interests of the company, shareholders and its employees.
21. Not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

E. LIABILITY

As an independent director you will be liable only in respect of such acts of omission or commission by a company which had occurred with your knowledge, attributable through Board processes, and with your consent or connivance or where you had not acted diligently.

F. DIRECTORS AND OFFICERS LIABILITY INSURANCE

BMW Group has global Directors and Officers Liability Insurance Policy for the Directors and Officers of the BMW Group.

Apart from the global policy, the Company has obtained an additional insurance from Bajaj Allianz General Insurance Company with effect from January 01, 2015.

G. CODE OF CONDUCT

During the appointment you are required to comply with the regulations as contained in Schedule IV under Companies Act, 2013 (Code for independent Directors), the Code of Conduct for Fair Practice and such other codes as may be applicable from time to time.

H. PROFESSIONAL CONDUCT

As an independent director you shall:

1. Uphold ethical standards of integrity and probity.
2. Act objectively and constructively while exercising duties.
3. Exercise responsibilities in a bona fide manner in the interest of the company.
4. Devote sufficient time and attention to professional obligations for informed and balanced decision making.
5. Not allow any extraneous considerations that will vitiate 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.
6. Not abuse the 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.
7. Refrain from any action that would lead to loss of your independence.
8. Where circumstances arise which make an independent director lose your independence, the independent director must immediately inform the Board accordingly.
9. Assist the company in implementing the best corporate governance practices.

I. RESTRICTED ACTIONS

As an Independent director you shall:

1. Not evade responsibility in regard to matters entrusted to you by the Board;
2. Not interfere in the performance of their duties by the whole-time directors and other officers of the Company and wherever the director has reasons to believe otherwise, your shall forthwith disclose your concerns to the Board; and
3. Not make improper use of information disclosed to you as a member of the Board for your or someone else's advantage or benefit and shall use the information disclosed to you by the Company in your capacity as director of the Company only for the purposes of performance of your duties as a director and not for any other purpose.

J. STATUS OF APPOINTMENT

You will not be an employee of the Company and this letter shall not constitute a contract of employment. You will be paid such remuneration by way of sitting fees for

meetings of the Board and its Committees as may be decided by the Board and approved by the Shareholders from time to time.

K. REMUNERATION

You shall be entitled to sitting fees as may be decided by the Board of Directors for attending each meeting of the Board and its Committees inclusive of travelling and other out of pocket expenses incurred by the Director.

L. 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.

M. EVALUATION

The Board of Directors will carry out an evaluation of the performance of the Independent Directors on an annual basis. Your re-appointment, if any on the Board shall be subject to the outcome of the yearly evaluation process.

N. CONFIDENTIALITY

1. All information acquired during your appointment is confidential to Company and should not be released, either during your appointment or afterwards unless required by law or by the rules of any stock exchange or regulatory body.
2. If any Confidential Information is required to be disclosed by you in response to any summons or in connection with any litigation, or in order to comply with any applicable law, order, regulation or ruling, then any such disclosure should be, to the extent possible, with the prior consent of the Board.

O. PUBLICATION OF LETTER OF APPOINTMENT

In terms of the provisions of Clause IV sub clause 6 Schedule IV, under Companies Act, 2013, the Company will make public these terms and conditions of your appointment and may also display the appointment letter in the Company's website.

P. RESIGNATION OR TERMINATION

1. Your Appointment is for a term of 5 years commencing from 13th March, 2015, up to 12th March, 2020. You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice on the Board. Further, in terms of provisions of the Companies Act, 2013, you are required to file a copy of your resignation letter with the Registrar of Companies, Delhi.
2. Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013 and the Articles of Association of the Company. You will not be entitled to any compensation if the shareholders do not re-elect you at any time.
3. Your appointment has been made based on information furnished by you. However if there is a discrepancy in the copies of documents or certificates given by you as a proof of above we retain the right to review your appointment in this Organization.