

**LETTER OF APPOINTMENT FOR INDEPENDENT DIRECTOR**

September 12, 2014

**Mr. Darius Cavasji Shroff**  
Moonlight, Flat No. 8, Maharishi Karve Road,  
MUMBAI 400 020  
Maharashtra

Dear Mr. Shroff,

**Sub: Appointment as an Independent Director of Ingersoll-Rand (India) Limited (the 'Company')**

On behalf of the Company, I am pleased to inform you regarding your appointment as an independent director on the Board of the Company ('Independent Director'). This letter sets out the terms and conditions of your appointment.

**1. Appointment**

- 1.1 In accordance with the provisions of the Companies Act, 2013 ('Act'), the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement as amended by the Securities and Exchange Board of India *vide* its circular dated April 17, 2014 ('Amended Clause 49'), your appointment has been approved by the shareholders of the Company at the Annual General Meeting held on September 12, 2014.
- 1.2 The term of your appointment is for five years with effect from the date of the Annual General Meeting of your Company, that is, September 12, 2014. Your appointment is also subject to the maximum permissible directorships that a director can hold as per the provisions of the Act and the Amended Clause 49.
- 1.3 In compliance with the provisions of sub-section (13) of section 149 of the Act, your directorship is not subject to retirement by rotation.
- 1.4 The Company reserves the right to terminate your appointment as an Independent Director prior to completion of the term of your appointment, in accordance with the provisions contained in the Act.

**2. Committees of the Board of Directors ('Board')**

During the term of your appointment, you may be required to serve on one or more existing Committees of the Board of your Company. You shall be expected to act in accordance with the terms of reference of the Committee constituted pursuant to the provisions of the Act and the Amended Clause 49.

At present, the Board of the Company has 4 committees, namely:

- i. Audit Committee;
- ii. Nomination and Remuneration Committee;
- iii. Stakeholders' Relationship Committee;
- iv. Corporate Social Responsibility Committee.



You have been nominated to serve on the Board of the following committees:

- i. **Audit Committee;**
- ii. **Nomination and Remuneration Committee;**
- iii. **Stakeholders' Relationship Committee;**
- iv. **Corporate Social Responsibility Committee**

### 3. Time Commitment

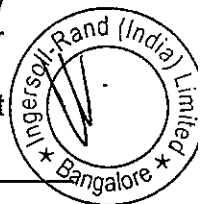
3.1 As an Independent Director, you are expected to bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective leadership in relation to the Company's strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance. The Board meets at least 4 times in a year. The Audit Committee also meets at least 4 times in a year. Besides, there are other committee meetings like Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee meetings which will be convened as necessary. You will be expected to attend Board meetings, meetings of the Board Committees to which you may be appointed and general meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively.

3.2 By accepting this appointment, you confirm that you are able to devote sufficient time and attention as is prudent and necessary for meeting the expectations of your role, duties and responsibilities as an Independent Director to the satisfaction of the Board.

### 4. Role and Duties

Your role and duties will be those normally required of an Independent Director under Schedule IV of the Act and the Amended Clause 49. The fiduciary duties incidental to your appointment as an Independent Director of the Company are to:

- (1) act in accordance with the Articles of Association of the Company;
- (2) act in good faith in order to promote the objects of the Company for the benefit of its shareholders as a whole, and in the best interests of the Company;
- (3) 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;
- (4) bring an objective view in the evaluation of the performance of Board and management;
- (5) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (6) satisfy yourself on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- (7) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (8) balance the conflicting interest of the stakeholders;
- (9) 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;
- (10) moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest;



- (11) accurately report on the performance and financial position of the Company; and
- (12) ensure compliance with the applicable legislation and regulations under review and the conformity of the practices of the Company to accepted norms.

The duties enlisted hereinabove shall be discharged with due and reasonable care, skill and diligence.

#### **5. Limitation on discharge of duties**

The discharge of your duties as an Independent Director shall not extend to:

- (1) involving yourself in situations involving a conflict of interest, whether direct or indirect, vis-à-vis the Company as defined in clause 6 of this letter;
- (2) achieving or attempting to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates; and
- (3) Assigning your office as a director and any assignments so made shall be void.

#### **6. Conflict of interest**

6.1 It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to your impending appointment, you are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment.

6.2 In the event that your 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 judgement that you are independent, this should be disclosed to both the Chairman and the Secretary.

#### **7. Compensation Structure**

7.1 You will be paid such remuneration by way of commission as may be approved by the Board and the shareholders from time to time.

7.2 You shall not be entitled to participate in any employee stock option scheme operated by the Company or any group company and shall not be entitled to avail of any bonus during your term of appointment.

#### **8. Reimbursement of Expenses**

The Company will reimburse you for the following items of expenditure incurred by you as incidental to the performance of your duties, namely:

- (1) Travel expenses;
- (2) Hotel accommodation expenses; and
- (3) All incidental and out-of-pocket expenses.



**9. Confidentiality**

9.1 All information acquired during your appointment is confidential to the Company and should not be released, either during your appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman unless required by law or by the rules of any stock exchange or regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by the Company.

9.2 Your attention is also drawn to the requirements under the applicable regulations and the Ingersoll – Rand (India) Limited Code of Conduct for Prevention of Insider Trading which concern the disclosure of price sensitive information and dealing in the securities of the Company. Consequently, you should avoid making any statements or performing any transactions that might result in a breach of these requirements without prior clearance from the Chairman or the Secretary.

**10. Induction**

You may be invited to attend ongoing training and familiarization sessions, including briefings from management and site visits of the Company. Please avail yourself of these opportunities as fully as is appropriate to your personal circumstances.

**11. Evaluation**

The Board will carry out an evaluation of your performance. The Company is in the process of adopting a policy on Board Evaluation. The policy will provide for evaluation of the Board, the Committees of the Board and individual Directors including the Chairman of the Board. As per the policy, the Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis. Your appointment and re-appointment shall be subject to the outcome of the yearly evaluation process.

**12. Insurance**

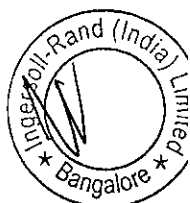
The Company has Directors' and Officers' liability insurance and it is intended that the Company will assume and maintain such cover during the full term of your appointment as Independent Director of the Company.

**13. Independent Professional Advice**

There may be occasions when you consider that you need professional advice in furtherance of your duties as a director and it will be appropriate for you to consult independent advisers at the Company's expense. The Company will bear the full cost of expenditure incurred in accordance with the Company's policy.

**14. Disclosure of interest**

Any material interest acquired by you in a contract or arrangement entered into with the Company shall be disclosed at the meeting of the Board in which such contract or arrangement is discussed in order that the minutes and the Annual Accounts record an appropriate mention of such disclosure of interest. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.



**15. Code of Conduct**

The codes of conduct of the Company which necessitate compliance by you are:

- (1) Code of Conduct for Board and Senior Management;
- (2) Code of Conduct and Ethics of the Company;
- (3) Code of Conduct for Prevention of Insider Trading in securities of the Company.

and such other requirements as the Board may, from time to time, specify.

**16. Termination**

You may resign from your position at any time before the end of your term of office by giving a notice in writing to the Board.

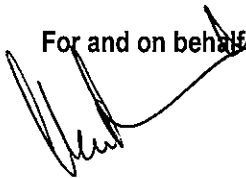
**17. Governing Law**

This letter of appointment and any non-contractual obligations arising out of or in connection with the same are governed by, and shall be construed in accordance with, the laws of India, and the parties agree to submit to the exclusive jurisdiction of the courts of Mumbai.

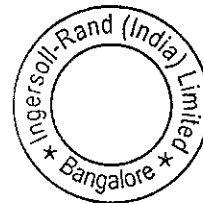
Please confirm your agreement to the above-mentioned terms by signing and returning to us an enclosed copy of this letter.

Yours sincerely,

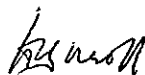
For and on behalf of Ingersoll – Rand (India) Limited



**Venkatesh Valluri**  
Chairman



I have read and agree to abide by the above terms regarding my appointment as an Independent Director of Ingersoll – Rand (India) Limited.



**Darius Cavasji Shroff**  
Independent Director  
(DIN: 00170680)

Date: September 12, 2014