

To,  
The Members of  
**CEAT Limited**

**Abstract and Memorandum of Interest under Section 302 of the Companies Act, 1956.**

Abstract of the terms and conditions, as required under Section 302 of the Companies Act, 1956 (the Act) in respect of the appointment of Mr. Arnab Banerjee as the Whole-time Director, designated as the Executive Director-Operations are given below:

**Abstract of terms and conditions for appointment of Mr. Arnab Banerjee:**

1. The Board of Directors (the Board) of CEAT Limited (CEAT) at its meeting held on May 7, 2013, appointed Mr. Arnab Banerjee (hereinafter referred to as Mr. Banerjee) as the Whole-time Director designated as the Executive Director-Operations of the Company for a period of five (5) years effective from May 7, 2013 upon the terms and conditions set out in the draft Agreement as approved by the Board at the said meeting. The Company has since entered into the Agreement in terms of the said draft with Mr. Banerjee.
2. Mr. Banerjee shall be responsible for the Manufacturing, Sales & Marketing Functions and any other responsibility which may be given to him by the Board of Directors or the Managing Director from time to time.
3. Mr. Banerjee shall, during the continuance of his engagement, receive the following remuneration duly recommended by the Remuneration Committee of the Board and approved by the Board of Directors, from time to time, up to the maximum limit of Rs. 2.75 crores :
  - i. **Salary:**
    - **Basic Salary:** Rs. 2,82,560/- per month with an increase of not exceeding 25% every year with effect from July 1<sup>st</sup>.
    - **Management supplement:** Rs. 2,63,740/- per month with an increase of not exceeding 25% every year with effect from July 1<sup>st</sup>.
  - ii. **Allowance:** Rs 4,65,000/- per month with increase of not exceeding 25% every month on July 1<sup>st</sup>.
  - iii. **Performance Bonus:** Not exceeding six months amount of Salary (Basic plus Management Supplement) subject to the performance of the appointee.

- iv. **Perquisites:** The Whole-time Director designated as the Executive Director-Operations shall be entitled to the following perquisites:
- House Rent Allowance – Included in (ii) above.
  - Reimbursement of domiciliary Medical expenses - Included in (ii).
  - Car/Telephone at residence for Business use at actual. Personal use shall, however, be recovered from the salary of the appointee.
  - Other Perquisites: As may be granted from time to time, as per the Company's policies, monetary value of which shall not exceed Rs 1,00,000 per annum.
- v. In addition to the above, the Whole-time Director designated as the Executive Director (Operations) shall be eligible for the following perquisites, the value of which shall not be considered for computation of aggregate remuneration.
- Company's Contribution to Provident Fund, Superannuation or Annuity Fund – as per Company Policy.
  - Gratuity: As per Company Policy.
  - Encashment of unavailed leave at the end of tenure - As per Company Policy.
4. The remuneration as recommended by the Remuneration Committee from time to time and approved by the Board, may be paid and the perquisites provided to Mr. Banerjee, as minimum remuneration in the event of loss or inadequacy of profit in any year, subject to such limits as may be prescribed in Section II of Part II of the Schedule XIII of the Act, or any modification(s) thereto and on such approvals as may be required from time to time.
5. (i) This Agreement may be terminated by either party by giving to the other party not less than 4 months' notice, in writing, or by payment of 4 months' basic salary in lieu of notice without assigning any reason.
- (ii) The Company may also terminate this Agreement upon giving him one month notice, in writing or by payment of one month's basic salary in lieu of notice, under the following circumstances:
- (a) If Mr. Banerjee at any time neglects or becomes unable to perform his obligations under this Agreement in consequence of any infirmity, disability / ill health – both physical or mental - or any accident, which in the Company's judgment, has substantially prevented him from performing his duties during any period, and / or;
- (b) Mr. Banerjee fails to discharge his duties hereunder efficiently or diligently, and commits a breach of any of his obligations hereunder.

6. The Agreement between the Company and Mr. Banerjee shall stand terminated forthwith without payment of any compensation, if he vacates his office as Director or resigns from the office of Director, refuses or neglects to comply with the lawful orders given by the Company or commits breach of the Corporate Governance and Ethics Code and the Code of Conduct of the Company.
7. Mr. Banerjee shall comply with the directions given by the Managing Director and the Board of Directors and shall also observe all the Policies and Regulations framed and/or adopted by the Company from time to time.
8. Mr. Banerjee shall not divulge or make use of any Company's secrets and any other information to any other person and during his term and for a period of two years following expiry or termination of this Agreement and he shall not directly or indirectly compete with the business or act detrimental to the interest of the Company or poach any person associated with the Company.
9. Any dispute or difference shall be referred to the Competent Court(s) located in the city/town where the registered office of the Company is situated.

#### **Memorandum of Interest of Directors**

None of the Directors, except Mr. Banerjee himself is concerned with or interested in the appointment of Mr. Banerjee as the Whole-time Director of the Company.

By Order of the Board

H. N. Singh Rajpoot  
Company Secretary

Mumbai  
May 16, 2013