

DD-MM-YYYY

## **LETTER OF APPOINTMENT FOR NON-EXECUTIVE INDEPENDENT DIRECTOR**

To,  
(Name of the Director)

It is our pleasure to appoint you as a Non-Executive Independent Director on the Board of (Name of the Company) with effect from DD-MM-YYYY. This letter sets out the terms and conditions covering your appointment as Non-Executive Independent Director on the Board of the Company.

### **TERM OF OFFICE**

In accordance with the provision of the Companies Act, 2013 and other applicable laws, you will be appointed as a Non-executive Independent Director of (Name of the Company) subject to shareholders' approval at the ensuing XX Annual General Meeting for a period of XX year effective from the conclusion of this Annual General Meeting till the conclusion of XX Annual General Meeting. You shall not be liable to retire by rotation as per the relevant provisions of the Companies Act, 2013 and the listing Agreement.

Your appointment is also subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013 and the listing agreement.

Your terms of appointment should be construed as defined under the Companies Act, 2013 and the listing Agreement.

### **COMMITTEES**

The Board of Directors (the Board) may, if it deems fit, invite you to serve on one or more of the Board Committees. Your appointment on such Committee (s) will be subject to applicable regulations and charter of the respective committee.

### **EXPECTATIONS OF THE BOARD**

- **Time Commitment:** You are expected to bring objectivity and independence of view to the Board's discussions and to help in providing 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 atleast four times in a year. Whereas other Committees like Audit Committee, Nomination and Remuneration Committee, Risk Review Committee, Stakeholders'

Relationship Committee and Corporate Social Responsibility Committee meetings are also ordinarily convened four times in a year or as may be decided from time to time. You will be expected to attend Board, Board Committees to which you may be appointed and Shareholders meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively. Ordinarily, all meetings are held in Bangalore.

- **Disclosure of Interest:** You should give us required disclosure as prescribed under the status. The Company Secretary will co-ordinate with you for getting such disclosures from time to time. Further furnish us the annual declaration that you meet the criteria of Independence as per Companies Act, 2013 and listing agreement. Further update promptly, wherever there is change in circumstance which may affect your status of Independence.
- **Confidentiality:** You must apply the highest standard of confidentiality and not disclose to any person or Company, whether during the course of Appointment or at any time after termination, any confidential information concerning the Company and any group Companies with which you come into contact by virtue of your position.

#### **ROLE, RESPONSIBILITIES AND DUTIES ALONG WITH ACCOMPANYING LIABILITIES**

As a Non-Executive Independent Director of the Company you shall act in accordance with the provisions of the Companies Act, 2013, the listing agreement and in accordance with the Articles of Association of the Company.

The fiduciary duties of Executive and Non-Executive directors are as under:

- Act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
- Exercise duties with due and reasonable care, skill and diligence and exercise independent judgment.
- Not involve in a situation where there is a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- Not achieve or attempt to achieve any undue gain or advantage either to himself or to your relatives, partners, or associates
- Not to assign your office as Director.

In addition to the above, the role of the Non-Executive Independent Director has the following key elements:

**Strategy:** You will constructively contribute in the development of the Company strategy.

**Performance:** You should scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;

**Risk:** You should satisfy yourself that financial information is accurate and that financial controls and systems of risk management are robust and defensible.

**People:** You should 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;

If as a Director of the Company you contravene any provisions of the Companies Act, you shall be punishable with fine under the statute and may also be exposed to Civil Action, Criminal Action or Class Action Suit by the Shareholders.

## **FEES AND REMUNERATION**

You shall be paid remuneration by way of Commission as approved by the Board from time to time. This remuneration will be linked to your presence at the Board and Committee meetings and also on the basis of your position in various Committees of the Board, whether as the Chairman or a Member of the Committee(s). However, such remuneration by way of Commission shall be within the limits of the Companies Act, 2013. The proposed remuneration is as under:

<b>S. No.</b>	<b>Particular</b>	<b>Amount in USD</b>
1	Board Remuneration per meeting	5,500
2	Travel allowance for Foreign Directors (America travel) per travel	4,400
3	Travel allowance for Foreign Directors (Non-America travel) per travel	3,300

<b>S. No.</b>	<b>Particular</b>	<b>Chairperson</b>	<b>Member</b>
1	Audit and Risk Management Committee Remuneration per meeting	6,600	3,300
2	Nomination and Remuneration Committee Remuneration per meeting	2,200	1,100
3	CSR Committee Remuneration per meeting	2,200	1,100

Beside above Commission based remuneration, you shall be paid a consolidated sitting fees of Rs 1,00,000/- for attending all Board and Committee meetings on quarterly basis.

### **REIMBURSEMENT OF EXPENSES**

In addition to fees and remuneration described above, the Company shall reimburse you the traveling, hotel, out of pocket and other incidental expenses incurred by you in performance of your roles and duties.

### **DIRECTORS AND OFFICERS (D&O) INSURANCE**

(Name of the Company) has Directors and Officers (D&O) Insurance policy which intend to cover personal liability claim made against the directors while serving on the Board of the Company.

### **CODE OF ETHICS AND BUSINESS CONDUCT**

The Company has formulated and adopted a “Code of Ethics and Business Conduct” for all the Board members, senior officers and employees. The Code of Conduct is also posted on the Company’s website. You shall annually affirm, in writing, the compliance with the code.

### **TRAINING SESSIONS**

The Company shall from time to time provide you with suitable training sessions to familiarize with the company, including briefing from the management, nature of the industry in which the company operates, business model of the company, etc.

### **EVALUATION OF BOARD**

As a Non-Executive Independent Director you should strive to hold and attend one meeting of the Independent directors in a year, without the presence of Non- Independent Directors and member of the management team with the sole objective of:

- review the performance of Non-Independent Directors and the Board as a whole;
- review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Further each Non-Executive Independent Director appointment or re-appointment is subject to yearly evaluation process adopted by the Board.

## **RESIGNATION**

You may resign any time from the position of Non-Executive Independent Director by a written notice. It is desirable that you inform Chairman in advance of your intention to resign or not to seek re-appointment which will help XX to fill the vacancy.

## **JURISDICTION AND GOVERNING LAW**

This agreement is governed by and will be interpreted in accordance with Indian law and your engagement shall be subject to the jurisdiction of the Indian Courts.

If you are willing to accept these terms of appointment relating to your appointment as a Non- Executive Independent Director of XX, kindly confirm your acceptance of these terms by signing and returning to us the enclosed copy of this letter.

**Yours Sincerely,**  
**For and on behalf of XX Limited**

\_\_\_\_\_  
**Chairperson**

I hereby acknowledge receipt of and accept the terms set out in this letter.

**Signature:**

**Name:**

**Date:**