

DD-MM-YYYY

LETTER OF APPOINTMENT FOR NON-EXECUTIVE INDEPENDENT DIRECTOR

To
(Name of the Director)

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

The Terms & Conditions of your appointment are as under:

TERM OF OFFICE

In accordance with the provision of the Companies Act, 2013 and other applicable laws, your appointment as Non-Executive Independent Director of (Name of the Company) has been approved by the Shareholders at the XX Annual General Meeting (AGM) of the Company held on DD-MM-YYY for a term commencing from DD-MM-YYY till the conclusion of XX AGM of the Company to be held in the year YYYY. You shall not be liable to retire by rotation as per relevant provisions of the Companies Act, 2013.

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

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

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 at least four times in a year. Whereas other Committees like Audit Committee, Risk Management Committee, Nomination and Remuneration Committee and Corporate Social Responsibility & Environment Social Governance 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 are appointed as a Member or required to attend as an Invitee 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 provisions of the Companies Act, 2013. The Company Secretary / Secretarial Team 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 the Companies Act, 2013. 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 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:

Particulars	Annual remuneration in USD	
	Chairperson	Member
Non-Executive Independent Board Member	NA	50,000
Audit Committee	24,000	16,000
Nomination & Remuneration Committee	12,000	8,000
Corporate Social Responsibility and Environment Social and Governance Committee	12,000	8,000
Risk Management Committee Members	12,000	8,000
Stakeholders Relationship Committee, if any	8,000	4,000

- Sitting fees of US\$ 1,000 per Board and per Committee meeting is based on attendance by the respective member. This will be adjusted from overall amount mentioned above, which assumes 4 meetings per year.
- In case of additional meetings, other than quarterly meetings, only the sitting fee of \$1,000 will be paid for per Board and per Committee meeting
- No travel allowance. Travel expenses will be reimbursed on actuals
- Sitting fee for the meetings attended and 75% of pro-rated commission to be paid out on quarterly basis (Jul, Oct and Jan). Balance to be paid at the end of the year based on actual profits
- Commission paid for full year subject to 1% of profits

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 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:

- reviewing the performance of Non-Independent Directors and the Board as a whole;
- reviewing the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- assessing 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 stating detailed reasons for resignation along with a confirmation that there is no other material reason other than those provided. It is desirable that you inform Chairperson in advance of your intention to resign or not to seek re-appointment which will help to fill the vacancy.

JURISDICTION AND GOVERNING LAW

The Appointment Letter is issued based on the Companies Act, 2013, Rules therein and other applicable regulations prevalent at the time of appointment. Any change in the above shall automatically entail changes in the terms and conditions.

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.

We look forward to your valuable contribution and guidance to the growth of the Company.

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:

Place:

Name:

Date: