

# Draft Letter of Appointment of Independent Director

Date:

To,  
Name of Director  
Address

**Sub: Letter of Appointment of Independent Director**

Dear Sir,

We are pleased to inform you that the Board of Directors of the Company at their meeting held on ....., 2014 have appointed you as an Independent Director of the Company, pursuant to the Companies Act, 2013. The appointment is subject to the approval of shareholders at the next Annual General Meeting.

As per the requirements of the Companies Act, 2013, the above is being formalized through this letter of appointment. Please note that this letter constitutes neither a contract for services nor a service contract i.e. Contract of employment.

## **Appointment**

Your appointment is for a consecutive period of ..... **years** and subject to the approval of the shareholders at the next Annual General Meeting of the Company. Further the tenure is subject to your meeting the criteria for being an Independent Director and not being disqualified to be a Director under the applicable regulations.

As an Independent Director you will not be liable to retire by rotation.

You will be eligible for re-appointment for another term of up to 5 years, subject to your fulfilling the criteria for being an Independent Director, not being disqualified to be a Director and keeping in view the retirement policy for non-executive directors. Further, the reappointment shall be on the basis of report of your performance evaluation by the Board of Directors. The reappointment would require Special resolution of shareholders and any other necessary approvals.

**Continue.....**

## **Role on the Board**

You are expected to provide your expertise in the area of multilateral trade and investment, economic and business policy, corporate governance and social contribution of business and in the functioning of the Board and the committees of the Board you may be nominated. In addition to routine board meetings you should allow time for committee meetings, preparatory work and travel, and ensure that you are in a position to make necessary overall time commitment.

You may be nominated on one or more committees of the Board and in such event you will be provided with the relevant committee's terms of reference and any specific responsibilities. You are currently nominated on the following committees of the Board whose terms of reference have been provided to you:

- a)
- b)
- c)

## **Duties and Liabilities**

The duties and liabilities that come with your appointment would be as per the applicable laws, Company policy and the Articles of Association of the Company. The laws that currently govern the duties and liabilities of an Independent Director are the Companies Act, 2013 (including Rules thereunder) and the Listing Agreement with the Stock Exchanges, some of which are specifically outlined below.

You will follow "the Code for Independent Director" as per Schedule IV of the Companies Act, 2013 and Company policy.

For your information, revised Clause 49 of the Listing Agreement dealing with corporate governance framework would be applicable with effect from 1st October, 2014.

You are required to make disclosure of your interest as per the requirements of Section 184 of the Companies Act, 2013.

In case you so desire, Company would provide support to help you familiarize yourself with the relevant duties and obligations.

## **Conflict of Interest**

It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to your appointment commencing, 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.

**Continue.....**

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 judgment that you are independent, this should be disclosed to the Chairman or the Board or the Secretary.

### **Technology**

You may give your consent by advance notification to the Chairman or Company Secretary to participate in any meeting(s) of the Board or committee of directors, when necessary through video conferencing or other audio visual means, except for matters not to be so dealt under the Companies Act, 2013. When necessary, you can also participate through telephone, electronic mail or any other technology which permits you to communicate with every other Director, through such participation would not be reckoned as attending the meeting under the Companies Act, 2013.

### **Independence**

The Board of Directors of the Company inter alia has been given due consideration to your declaration of being qualified as “Independent” in accordance with the provisions of Companies Act, 2013 and the Listing Agreement with Stock Exchange. You are expected to continue to be qualified as “Independent” during your tenure and provide periodic declaration to the effect as required by regulations. You will be identified as “Independent Director” in the annual report and other documents and publications of the Company. If circumstances change and you believe it may not be possible for you to retain your independence you should discuss this with the Chairman as soon as possible.

### **Evaluation Processes**

You will follow the code of business conduct and furnish an annual affirmation of the same. You will apply the highest standards of confidentiality and not disclose to any person or company (whether during the course of the tenure as Independent Director or at any time after its cessation), any confidential information concerning the Company and any group Companies with which you come into contact by virtue of your position as a Director, except as permitted by law or with prior clearance from the Chairman or the Board or Company Secretary.

### **Prohibition of Insider Trading**

You will follow the policy on insider information and the requirements under the Companies Act, 2013 and SEBI Regulations, which inter-alia requires that price-sensitive information is not used or transmitted and maintained security. You should not make any statements that might risk a breach of these requirements without prior clearance from the Chairman or the Board or Company Secretary.

**Continue.....**

## **Remuneration**

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/or approved by the Shareholders from time to time. Further, you will also be paid remuneration by way of commission as may be approved by the Board and the Shareholders from time to time. As per the current policy of the company independent directors are not paid any sitting fees or commission for attending board meetings or committee meetings.

### **Reimbursement of Expenses:**

The Company will, for the period of your appointment, reimburse you for travel, hotel and other incidental expenses incurred by you in the performance of your role and duties.

## **Confidentiality**

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.

## **Termination**

- a) 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.
- b) 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, from time to time in force.
- c) Your appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.
- d) On the conclusion of their tenure, they will return any property and asset of the company in their possession including information and data. They will also not retain any copy of the information and data unless approved in writing by the Company.

## **General**

All the terms as mentioned above including your appointment, remuneration, professional conduct, role and functions, duties and evaluation shall be governed by the Companies Act, 2013 and Rules made thereunder and Corporate Governance requirements under the Listing Agreement, as amended from time to time.

**Continue.....**

This letter and any non-contractual obligations arising out of or in connection with this letter are governed by, and shall be construed in accordance with the laws of India and subject to the exclusive jurisdiction of the Courts of India.

Kindly acknowledge the same.

Thanking you,

Yours faithfully,

**For, Mahalaxmi Rubtech Limited**

**(Name of the Chairman)**

**(DIN: .....)**

**Chairman**

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**Agree and Accept**

I have read and understood the terms of my appointment as an Independent Director of the Company as contained in this letter and I hereby affirmed my acceptance to the same.

**Name of the Director: ..... (DIN :.....)**

**Sign: .....**

**Date: .....**

**Place: .....**

**Draft declaration to be made in the first meeting of the Board or whenever there is any change in the circumstances which may affect your status as an independent director.**

To,  
**The Board of Directors**  
Mahalaxmi Rubtech Limited  
5<sup>th</sup> Floor, Chanakya,  
Nr. Dinesh Hall, Ashram Road,  
Ahmedabad – 380 009  
Gujarat

Dear Sirs,

**Re: Declaration by Independent Director**

I, \_\_\_\_\_, hereby certify that I am holding the position on the Board of Mahalaxmi Rubtech Limited as an Independent Director. I further certify that I meet all the requirements specified under sub section 6 of Section 149 of Companies Act, 2013 and Clause 49 of Listing Agreement with the Stock Exchanges, for holding the position of Independent Director.

Signature: \_\_\_\_\_

Name : \_\_\_\_\_

Dated : \_\_\_\_\_