

(on the letter head of the Company)

**[@] (insert name of Director)**

**[@] (insert address of Director)**

**[@] (insert date)**

**Dear [@]**

**Sub: Letter of Appointment**

On behalf of the Company I write to inform you that you have been appointed as a Non-Executive Independent Director of the Company with effect from **[@]**. The terms and conditions of the Appointment, which shall be subject to the Articles of Association of the Company, are set out below:

**1. Term of Appointment:**

- (a) The Appointment has been made for a term of 5 consecutive years from **[@]**, but shall be eligible for reappointment for another one term of 5 consecutive years on passing of a special resolution by the Company.
- (b) Notwithstanding the other provisions of this Letter, the Appointment may be terminated at any time in accordance with the provisions of the Articles of Association of the Company or the provisions for the removal of directors under the Companies Act, 2013.
- (c) Upon termination or upon your resignation for any reason, you will not be entitled to any damages for loss of office and no fee will be payable to you in respect of any unexpired portion of the term of the Appointment.

**2. Expectations of the Board from you:**

You will devote such time to the affairs of the Company as is required by you to perform your duties as Independent Director. By accepting the Appointment, you confirm that you will be in a position to allocate sufficient time to meet the expectations of your role.

You may also be appointed as a member of any Committee of the Board, based on your availability and eligibility to become such member.

**3. Fiduciary duties & liabilities connected to the office:**

Under the Companies Act 2013, there are a number of statutory duties, which are the personal responsibility of each director and not the Company. The Company expects that in discharge of your duties as a Director of the Company, you will take care of the following:

- (a) Subject to the provisions of Companies Act, 2013, you will act in accordance with the articles of the company.
- (b) You will 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.
- (c) You will exercise your duties with due and reasonable care, skill and diligence and shall exercise independent judgment.

As an Independent Director, you are also expected to ensure the following:

- (a) To undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (b) To seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- (c) To strive to attend all meetings of the Board of Directors and of the Board committees of which you are a member;
- (d) To participate constructively and actively in the committees of the Board in which you are a chairperson or member;
- (e) To strive to attend the general meetings of the company;
- (f) Where you have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that your concerns are recorded in the minutes of the Board meeting;
- (g) To keep yourself well informed about the company and the external environment in which it operates;
- (h) Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (i) To pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure yourself that the same are in the interest of the company;
- (j) To ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- (k) To report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (l) acting within your authority, to assist in protecting the legitimate interests of the company, shareholders and its employees;
- (m) Not to disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law

You will be liable as an Officer-in-default in respect of a contravention of any of the provisions of Companies Act, 2013 which you are aware of by virtue of the receipt by you of any proceedings of the Board or participation in such proceedings without objecting to the same, or where such contravention had taken place with your consent or connivance;

In terms of Section 166(7) of the Act, it is to bring to your notice that if a director of the company contravenes the provisions of Section 166 which lays down duties of directors [as per point no. (a) to (e) above], such director shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.

**4. Provision for Directors and Officers (D and O) Insurance, if any.**

You are hereby informed that as on date, the Company do not provide for D & O Insurance for the Directors. We will inform you if the Company opts for the same.

**5. Code of Business Ethics**

The Company has adopted Code of Conduct and Business Ethics of the Company for its Directors and Senior Management Personnel, a copy whereof is available with you. You are expected to abide by the same.

You are expected to abide by the principals of Business Ethics in discharge of your duties as Independent Director.

Further, you are also expected to abide by Code for Independent Directors as per Schedule IV of the Companies Act, 2013

**6. List of actions you should not indulge into:**

- (a) You will not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- (b) You will not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners, or associates and if you are found guilty of making any undue gain, you will be liable to pay an amount equal to that gain to the company.
- (c) You will not assign your office and any assignment so made shall be void.

In the event that you become aware of any potential conflicts of interest these should be disclosed to the Company as soon as they become apparent.

**7. Remuneration:**

You will not be entitled to any remuneration whether by way of sitting fees or any other means.

You will have no entitlement to any bonus during the Appointment and no entitlement to participate in any share scheme or pension scheme operated by the Company.

**8. Review process**

Your performance as an Independent Director will be reviewed by the Board on an annual basis.

**9. Publication of the letter of appointment**

In line with the Code for Independent Director, the Company will make public this Letter by posting it on its website.

**10. Confidentiality**

You must apply the highest standards of confidentiality, and not disclose to any person or company (whether during the course of the Appointment or at any time after its termination), any confidential information concerning the Company and any Group Companies with which you come into contact by virtue of your position as Independent Director.

Your attention is drawn to the requirements of SEBI (Prohibition of Insider Trading) Regulations 1992 in respect of disclosure of price-sensitive information. Consequently you should not make any statements that might risk a breach of these requirements.

Please confirm your agreement to the above by signing and returning to me the enclosed duplicate of this letter.

For **Khatod Investment & Finance Company Limited**

Director

**Communication of Acceptance:**

I confirm and agree to the above

**[@]**