

**(On letterhead of Company)**

**TERMS OF APPOINTMENT OF INDEPENDENT DIRECTOR**

*Draft letter of appointment setting out the terms and conditions covering the appointment of the Independent Director:*

**APPOINTMENT:**

1. Brief summary of appointment at Board/ Shareholders Meeting)
2. In compliance with provisions of section 149(13) of the Companies Act, 2013, Independent Director is not subject to retirement by rotation.
3. Notwithstanding other provisions of this letter, the appointment may be terminated in accordance with the provisions of the Articles of Association of the Company or on failure to meet the parameters of independence as defined in Section 149(6) or on the occurrence of any event as defined in section 167 of the Companies Act, 2013.
4. Upon termination or upon resignation for any reason, duly intimated to the Company, Independent Director will not be entitled to any compensation for loss of office.

**TIME COMMITMENT:**

5. Non-Executive Independent Director, is expected to bring objectivity and independence of view to the Board's discussions and to help provide 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 generally meets four times in a year. The Audit Committee meets to perform the role and responsibility of the Committee as and when required. Besides, there are other committees like Nomination and Remuneration Committee, Stakeholders & Relationship Committee, etc., meetings of which are ordinarily convened as per requirements. Independent Director will be expected to attend the meetings of the Board and of Committees to which he/she may be appointed and meetings of the Shareholders and to devote such time to his/her duties as appropriate to discharge his/her duties effectively. Ordinarily, all meetings are held in Vadodara.
6. By accepting the appointment, Independent Director confirm that he/she can allocate sufficient time to meet the expectations from his/her role to the satisfaction of the Board.

**ROLE AND DUTIES:**

7. Independent Director role and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013. There are certain duties prescribed for all directors, both Executive and Non- Executive, which are fiduciary in nature and are as under:
  - I. To act in accordance with the Company's Articles of Association as may be amended from time to time.
  - II. To 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 interest of the Company.

- III. To discharge your duties with due and reasonable care, skill and diligence.
- IV. Not involve himself/herself in a situation in which he/she may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- V. Not to achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
- VI. Not to not assign your office as an Independent Director/ Director and any assignments so made shall be void.

In addition to the above requirements, the Board of Directors also expect Independent Director to perform the following functions:

- I. To constructively challenge and help develop proposals on strategy for growth of the Company.
- II. To evaluate the performance of management in meeting agreed goals and objectives.
- III. Satisfy himself/ herself on the integrity of financial information and those financial controls and systems of risk management are effective and defensible.
- IV. Independent Director is responsible for determining appropriate levels of remuneration of Executive Directors and have a prime role in appointing and where necessary, removing Executive Directors and in succession planning.
- V. To take responsibility for the processes for accurately reporting on performance and the financial position of the Company.
- VI. To keep governance and compliance with the applicable legislations and regulations under review and the conformity of Company's practices to accepted norms.

#### **STATUS OF APPOINTMENT:**

8. Independent Director will not be an employee of the Company and appointment letter shall not constitute a contract of employment. Independent Director 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.
9. The sitting fees presently paid to the Non-Executive Independent Director is Rs. \_\_\_\_\_ per meeting of the Board or a Committee thereof (subject to change as per recommendation of NRC Committee & approval of the Board).
10. Independent Director will have no entitlement to any bonus during the appointment and no entitlement to participate in any employee stock option scheme operated by the Company or any Group Company.

#### **REIMBURSEMENT OF EXPENSES**

11. In addition to the remuneration described above, the Company will, for the period of Independent Director's appointment, reimburse him/her for travel, hotel and other incidental expenses incurred by him/her in the performance of his/her role and duties.

#### **INDEPENDENT PROFESSIONAL ADVICE**

12. There may be occasions when Independent Director consider that he/she need professional advice in furtherance of your duties as an Independent Director and it will be appropriate for him/her to consult independent advisers at the Company's expense.

The Company will reimburse full cost of expenditure incurred in accordance with the Company's policy.

### **CONFLICT OF INTEREST**

13. It is accepted and acknowledged that Independent Director may have business interests other than those of the Company. As a condition to his/her appointment, he/she is required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of the appointment.
14. If 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 judgement that he/she is independent, the same should be disclosed to both the Chairman and the Company Secretary.

### **EVALUATION**

15. The Board of Directors will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis as per Company's Policy. Independent Director's appointment on the Board shall be subject to the outcome of the yearly evaluation process.

### **DISCLOSURE OF INTEREST**

16. Any material interest that a director may have in any transaction or arrangement that the Company has entered into should be disclosed not later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record your interest appropriately and our records are updated. A general notice that you are interested in any contract with a particular person, firm or company is acceptable.

### **CODE OF CONDUCT**

17. During the appointment Independent Director is required to comply with regulations as contained in Schedule IV under Companies Act, 2013, including the Code of Conduct.

### **CONFIDENTIALITY**

18. All information acquired during Independent Director's 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, Independent Director shall surrender any documents and other materials made available to him/her by the Company.
19. Your attention is also drawn to the requirements under the applicable regulations and the Company's Insider Trading Code which concern the disclosure of price sensitive information and dealing in the securities of the Company. Consequently, Independent Director should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Chairman or the Company Secretary.

## **PUBLICATION OF THE LETTER OF APPOINTMENT**

20. In line with provision of Clause IV, sub clause 6 of Schedule IV, under Companies Act, 2013, the Company will make public the terms and conditions of Independent Director's appointment and will also arrange for it to be displayed on the Company's website.

## **MEMBERSHIP OF COMMITTEES**

21. Independent Director may be appointed as Member/ Chairman to one or more Committees in future as per the requirement of any applicable law.

## **TERMINATION**

22. Independent Director may resign from your position at any time, and should he/she wish to do so, you are requested to serve a reasonable written notice on the Board. In terms of provisions of the Companies Act, 2013, Independent Director is required to file a copy of your resignation letter with the Registrar of Companies, Gujarat.

23. Independent Director may be removed as a director or otherwise required to vacate the office under any applicable law & in accordance with the provisions of the Articles of Association of the Company from time to time in force.

## **GENERAL**

24. Appointment Letter and any non-contractual obligations arising out of or in connection with this Appointment Letter are governed by, and shall be construed in accordance with, the laws of India, and the parties agree to submit to the exclusive jurisdiction of the courts of Gujarat.

25. Please confirm to the above by signing and returning the enclosed duplicate of this Letter.

Yours sincerely,

**For CHEMCRUX ENTERPRISES LIMITED**

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**Authorised Signatory**

I have read and agree to the above terms regarding my appointment as an Independent Director of Chemcrux Enterprises Limited.

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**INDEPENDENT DIRECTOR  
(NAME)  
DIN: XXXXXXXXXX**

**Date: (DD/MM/YYYY)  
Place:**