

## **DRAFT LETTER OF APPOINTMENT FOR INDEPENDENT DIRECTORS**

Dated: 1<sup>st</sup> October, 2014

(Name)  
(Address)

Dear Mr. /Ms.

### **Sub: Appointment as Independent Director**

I am pleased to inform you that based on your confirmation that you meet the criteria of "Independence" as provided under the Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, and upon the recommendation of Nomination & Remuneration Committee and the Board of Directors ("the Board") and the approval of the Shareholders of the Company, you are hereby appointed as an "Independent Director" of the Company w.e.f. 30<sup>th</sup> September, 2014. This letter of appointment sets out the terms and conditions covering your appointment which are as follows:

#### **1. Terms of Appointment**

In accordance with the provisions of the Companies Act, 2013 and other applicable laws, you will serve as an Independent Director of the Board till the conclusion of 12<sup>th</sup> Annual General Meeting of the Company in the calendar year 2017, unless terminated earlier or extended as per the provision of this letter or applicable laws. As an Independent Director, you will not be liable to retire by rotation. Your appointment is subject to the following:

- a. During your tenure as an Independent Director, you will have to submit a declaration at the beginning of every Financial Year under Section 149 (7) of the Companies Act, 2013 ("Act") stating that you meet the criteria of Independence.
- b. You shall not hold office as a Director or act as a Chairman or committee member in excess of the limit stipulated under the Act and the Listing Agreement.
- c. You will ensure that you do not get disqualified to act as a Director pursuant to the provisions of Section 164 of the Act.
- d. You will ensure compliance with other provisions of the Act including the Code of Independent Directors as stipulated under Schedule IV and the Listing Agreement as applicable to you as an Independent Director. Copy of Schedule IV of the Companies Act, 2013 which provides for the Code for Independent Directors is enclosed herewith for your reference and perusal.

#### **2. Board and Committees of the Board**

The Board may, if it deems fit, invite you for being appointed on one or more existing Board Committees or any such Committees that may be set up by the Board to as a measure of good Corporate Governance and to comply the statutory Rules and

Regulations. Your appointment on such Committee(s) will be subject to the applicable regulations. The Board meets at least four times in a year. The Audit Committee also meets at least four times in a year. The other committees of the Board are Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Share Transfer Committee, Risk Management, CSR Committee, Investment Committee and Asset Liability Management Committee. These committees meet as and when necessary. The Board meetings are generally held at the Registered Office of the Company.

You will be expected to attend the meetings of the Board and its Committees to which you may be appointed and Shareholders meetings and to devote such time to your duties in commensurate with your role to discharge your duties effectively. By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.

### **3. Duties and Responsibilities**

As an Independent Director, it is expected that you shall bring independence of view to the Board's discussions and help the Board to exercise their best judgement to all business decisions. Your presence on the Board shall also assist the Board with valuable guidance in relation to the Company's plan and policy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance.

As a Non-Executive Independent Director, you have the same responsibilities to the Company and its stakeholders as any other Director. There are certain duties prescribed in Section 166 of the Companies Act, 2013 for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:

- i) You shall act in accordance with the Company's Articles of Association.
- ii) You shall 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, its employee, the shareholders, the community and for the protection of environment.
- iii) You shall discharge your duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- iv) You shall not involve yourself in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- v) You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
- vi) You shall not assign your office as Director and any assignments so made shall be void.

### **4. Conflict of Interest**

As an Independent Director, you shall not engage in any business relationship or activity which might conflict with the interest of the Company. In case of any potential conflict of interest, you must make full disclosure of all facts and circumstances at the earliest opportunity and should ensure that Company's interests are protected.

## **5. Provision of Directors' & Officers' Insurance**

The Company has taken Directors' and Officers' Liability Insurance for Rs. 3 Crores for all the claims as per the terms and conditions mentioned in the policy during the policy period i.e. from 14<sup>th</sup> November, 2013 to 13<sup>th</sup> November, 2014 which shall be renewed after the expiry period of the said policy and it is intended that the Company will assume and maintain such cover for the full term of your appointment.

## **6. Code of Conduct**

You shall abide by the Code of Conduct, which is applicable to all the members of the Board and employees. The copy of Code of Conduct is enclosed as "Annexure B" and also uploaded on Company's website.

## **7. Dealing in Shares**

You will also abide by the "Code of Conduct" for Prevention of Insider Trading in respect of the Company's securities as per the requirement of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2008. Consequently, you 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 Secretary. The Code of Conduct is enclosed as "Annexure C" and also uploaded on Company's website.

## **8. Remuneration**

As an Independent Director, you shall be paid sitting fees for attending the meeting of the Board of Directors. The present sitting fees as determined by the Board w.e.f. 11<sup>th</sup> August, 2014 for attending the Board Meeting is Rs. 10,000/- per meeting.

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

## **9. Confidentiality**

As an Independent Director, you must apply the highest standard of confidentiality and not disclose to any person or company (whether during the course of appointment or following cessation) any confidential information concerning the Company, which you may have acquired in the course of your role as Independent Director. You shall not

disclose or release any confidential information, which you may acquire or come across during your appointment to any third parties, either during your appointment or following cessation (by whatever means) without prior clearance from the Chairman unless the same is required by law or by the rules of any stock exchange or regulatory authorities.

### **11. Performance Evaluation**

The Company has adopted a policy on Board Evaluation. The policy provides for evaluation of the Board, the Committees of the Board and individual Directors, including the Chairman of the Board. As per the Policy, the Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis. Your appointment and re appointment on the Board shall subject to the outcome of the yearly evaluation process.

### **12. Independent Professional Advice**

There may be occasions when you consider that you need professional advice in furtherance of your duties as a Director and it will be appropriate for you to consult independent advisers at the Company's expense. The Company will reimburse you the expenditure incurred in accordance with the Company's policy.

### **13. Disclosure of Concern/Interest**

The Company is required to disclose in its Annual Report, a note of any material interest that a Director may have in any Transaction or Arrangement that the Company has entered into. Such interest should be disclosed every year at the first Board Meeting in every financial year or 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 under Section 184 of the Companies Act, 2013 that you are interested in any contracts with a particular person, firm or company is acceptable.

### **14. 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, the Listing Agreement and the Articles of Association of the Company, from time to time in force. You will not be entitled to compensation if the shareholders do not re-elect you at any time.
- 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.

## **15. General**

This appointment letter 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. It gives me great pleasure to have you on our Board. I am confident that your association, expertise and advise will immensely benefit the Board of Directors and the Company.

Best Regards,  
Yours sincerely,  
For Nahar Capital and Financial Services Ltd.

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J.L. OSWAL  
Chairman

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

Signed: \_\_\_\_\_

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