

## LETTER OF APPOINTMENT

**Date**

**Dear Mr./Ms.** \_\_\_\_\_

We are pleased to inform you that the Board of Directors (the "Board") of Nitco Limited (the "Company") at its Meeting held on \_\_\_\_ day of \_\_\_\_\_ 2014 have approved your appointment as a Non - Executive Independent Director subject to the approval of the Members at the ensuing Annual General Meeting of the Company. This letter of appointment sets out the terms and conditions covering your appointment, which are as follows:

### **1. Appointment**

- 1.1 You will be appointed as a Non-Executive Independent Director on the Board of Directors of the Company with effect from \_\_\_\_\_. Your appointment is subject to the extant provisions of the Companies Act, 2013, as amended from time to time.
- 1.2 The term "Independent Director" should be construed as defined under the Companies Act, 2013 and the Listing Agreement.
- 1.3 As an Independent Director you are not liable to retire by rotation.

### **2. Committees**

You are currently a Member/Chairman of the \_\_\_\_\_ and the \_\_\_\_\_ Committee, of the Company. The Board of Directors (the Board) may invite you for being appointed on one or more of the existing Board Committees or any Committee(s) that may be set up in the future. Your appointment on such Committee(s) will be subject to the applicable legal requirements.

### **3. Time Commitment**

- 3.1 As a Non-Executive Director Independent Director you are expected to bring objectivity and independence to the Board's discussions and 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 and the audit committee meets at least four times in a year. You will be expected to attend the Board, the Board Committees and the Annual General Meetings and to devote sufficient time, as required for you to discharge your duties effectively.
- 3.2 By accepting this appointment, you confirm that you are in a position to allocate

sufficient time to meet the expectations of your role to the satisfaction of the Board.

#### **4. Fiduciary Duties**

Your role and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 and the listing agreement. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and inter alia 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 interests of the Company.
- III. You shall discharge your duties with due and reasonable care, skill and diligence.
- 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 interests of the Company or bring discredit to it. Any situation that creates a conflict of interest between personal interests and the Company and its stakeholders' interests, must be avoided at all costs.
- V. You shall not assign your office as Director and any assignments so made shall be void.

There are certain roles, functions duties prescribed for all Independent Directors, which are listed in the 'Code for Independent Directors' as outlined in Schedule IV to the Companies Act, 2013. You shall abide by the said 'Code of Conduct for Independent Directors' as amended from time to time to the extent relevant and applicable to your role.

#### **5. Fees/Remuneration**

- 5.1 You will not be an employee of the Company and this letter shall not constitute a contract of employment. You will be paid such remuneration by way of sitting fees for attending meetings of the Board and its Committees and Commission of Profits as may be decided by the Board and approved by the Members from time to time.
- 5.2 You will be entitled to Commission on Profits at a rate not exceeding the rate prescribed under the Companies Act, 2013 and within such limit fixed by the Board and approved by the shareholders.

#### **6. Reimbursement of Expenses**

The Company may pay or reimburse to you any expenditure incurred by you for attending Board or Committee meetings, Annual General Meetings and Extraordinary General Meetings, subject to approval of the Board of Directors.

## **7. Conflict of Interest**

- 7.1 It is accepted and acknowledged that you may have business interests, memberships 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.
- 7.2 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 both the Chairman and the Secretary.

## **8. Confidentiality**

All information acquired during your tenure of directorship is confidential and should not be disclosed, either during your tenure or following termination (by whatever means) to third parties without prior clearance from the Managing Director, unless required by law or by the rules of any stock exchange or regulatory body. In the latter case, you would be required to suitably inform the Managing Director of such an event or disclosure. You should direct any media queries or approaches to the appropriate spokesperson within the Company. On reasonable request, you shall surrender any documents and other materials made available to you by the Company.

## **9. Dealings in shares**

You are required to comply with the Company's Insider Trading Code of Conduct. This code inter alia prohibits the Directors from dealing in the Company's shares during the period when the trading window is closed. Further, directors, being designated officers of the Company for the purpose of insider trading guidelines, are to pre-clear all trades (buy/sell) from the Compliance Officer of the Company.

You are also required to comply with the applicable SEBI insider trading laws and regulations.

## **10. Evaluation**

The Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and the Directors on an annual basis. Your appointment and re-appointment on the Board shall be subject to the outcome of the yearly evaluation process.

## **11. Insurance**

The Company has Directors' and Officers' Liability Insurance and it is intended that the Company will maintain such cover for the full term of your appointment.

## **12. Disclosure of Interest**

It is expected that any interest you may have in any transaction or arrangement that the Company has entered into should be disclosed no 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 contracts with a particular person, firm or company is acceptable.

## **13. Termination**

- 13.1. 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 to the Board.
- 13.2. Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with provisions of the Companies Act, 2013, listing agreement and the Articles of Association of the Company, from time to time in force. You will not be entitled to any compensation if the shareholders do not re-elect you at any time.
- 13.3. Your appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company.

Yours Sincerely,

**For Nitco Limited**

Sd/-

**Vivek Talwar**  
**Managing Director**

I have read and agree and accept the above terms and conditions regarding my appointment as an Independent Director of Nitco Limited.

(Name of the Independent Director)

DIN: