

Letter of Appointment

Date: _____

To

<Name>

<Address>

Dear Sir/Madam.

Subject: Appointment as Independent Director of Shrenik Limited (the "Company")

I, _____, Director of the Company, hereby confirm that the Board of Directors of the Company have approved your appointment as an Independent Director on the Board of Directors of Shrenik Limited (Herein after referred to as 'the Company') subject to the approval by Shareholders of the Company to be obtained in the ensuing General Meeting of the Company for a period of five years with effect from [●]. This letter of appointment sets out the Terms and Conditions covering your appointment, which are as follows:

1. APPOINTMENT

- i 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 Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.
- ii As an Independent Director you are not liable to retire by rotation.

2. TIME COMMITMENT

- i As a Non-Executive Independent Director of the Company you are expected to bring objectivity and independence to the Board's Discussions and to help the Board with effective leadership in relation to the Company's strategy, performance and risk management, as well as in ensuring high standards of financial probity and Corporate Governance. The Board and the Committee meetings shall be held as per the requirements of the Company and you will be expected to attend the said meetings and the Annual General Meetings and to devote sufficient time as required for you to discharge your duties effectively.

3. FIDUCIARY DUTIES

Your roles and duties will be those normally required of Independent Director under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

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 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. 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 made shall be void.
- vi During the tenure of appointment you may be asked to serve on one or more of the Board committees including and not limited to Audit, Nomination and Remuneration, Stakeholders' Relationship and Corporate Social Responsibility Committees. You are expected to carry out your roles and responsibilities with integrity and honesty. The Board of Directors of the Company may invite you for being appointed in one or more Committees that may set up in future. Your appointment in such committees will be subject to the applicable legal requirements.

There are certain roles, functions and 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. The said code of Conduct for Independent Directors has been annexed hereto as **Annexure- A**.

4. REMUNERATION AND STATUS OF APPOINTMENT

As Independent Director, you shall be entitled for:

- a. Sitting Fees for attending the meetings of the Board of Directors or Committee meetings which shall be paid as per Board's decision from time to time.
- b. You will not be an employee of the Company and you will be paid such remuneration by way of sitting fees for attending the Board meetings and commission of profits may be provided as may be decided by the Board and approved by the Members from time to time as per the applicable provisions.

5. REIMBURSEMENT OF EXPENSES

In addition to the sitting fees, the Company will for the period of your appointment, reimburse your reasonable expenses incurred in discharge of your roles and responsibilities for the Company.

6. CONFLICT OF INTEREST

- i It is accepted and acknowledged that you may have business interests, memberships other than those of this Company. As a condition to your appointment in this Company, 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.
- ii In the event that your circumstances seem likely to change and might give rise to a conflict of interest or in case of occurrence of such circumstances that might lead the Board to revise its judgment your independence, then such event(s) or circumstance(s) should be disclosed to the Board.

7. CONFIDENTIALITY

All information that will be acquired by you during the tenure of your directorship shall not be disclosed, either during your tenure or following termination (by whatever means) to the third parties without prior clearance from the Chairman, unless required by law. In the later case, you would be required to suitably inform the Chairman of such an event or disclosure.

8. EVALUATION

Your evaluation as an Independent Director will be done by the entire Board of Directors which shall include:

- (a) your performance as an Independent Director and
- (b) fulfillment of your independence criteria as specified under applicable regulations and your independence from the management:

Provided that in the above evaluation, you, being subject to evaluation, cannot participate.

Your appointment and reappointment on the Board shall be subject to the outcome of the yearly evaluation process.

9. DISCLOSURE OF INTEREST

It is expected that any interest that 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.

10. TERMINATION

- i 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 of Directors of the Company.
- ii Continuation of your appointment is contingent on you getting re-elected by the shareholders in accordance with the provisions of Companies Act, 2013 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.
- iii Your appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company.

11. REVIEW

Your terms and conditions of appointment as Independent Director may be reviewed by the Board of Directors and necessary amendments may be incorporated therein. All the provisions mentioned under this letter of appointment are subject to any amendments or modifications that may be made in the applicable rules and regulations from time to time.

Yours Sincerely,
For **SHRENIK LIMITED**

DIRECTOR

Agree and Accept

I have read and understood the terms of my appointment as an Independent Director of the Company and I hereby affirm my acceptance to the same.

Independent director

Date : _____

SCHEDULE IV

CODE FOR INDEPENDENT DIRECTORS

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

I. Guidelines of professional conduct:

An independent director shall:

- (1) uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising his duties;
- (3) exercise his responsibilities in a bona fide manner in the interest of the company;
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (6) not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (7) refrain from any action that would lead to loss of his independence;
- (8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (9) assist the company in implementing the best corporate governance practices.

II. Role and functions:

The independent directors shall:

- (1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- (2) bring an objective view in the evaluation of the performance of board and management;
- (3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;

- (4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) balance the conflicting interest of the stakeholders;
- (7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- (8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

III. Duties:

The independent directors shall—

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) 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;
- (3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the company;
- (6) where they 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 their concerns are recorded in the minutes of the Board meeting;
- (7) keep themselves well informed about the company and the external environment in which it operates;
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- (10) 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;
- (11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) act within their authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- (13) not 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.

IV. Manner of appointment:

- (1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- (2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- (3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
- (4) The appointment of independent directors shall be formalised through a letter of appointment, which shall set out:
 - (a) the term of appointment;
 - (b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
 - (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - (d) provision for Directors and Officers (D and O) insurance, if any;
 - (e) the Code of Business Ethics that the company expects its directors and employees to follow;
 - (f) the list of actions that a director should not do while functioning as such in the company; and
 - (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- (5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- (6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

V. Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

VI. Resignation or removal:

- (1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- (2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within three months from the date of such resignation or removal, as the case may be.

- (3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

VII. Separate meetings:

- (1) The independent directors of the company shall hold at least one meeting in a financial year, without the attendance of non-independent directors and members of management;
- (2) All the independent directors of the company shall strive to be present at such meeting;
- (3) The meeting shall:
 - (a) review the performance of non-independent directors and the Board as a whole;
 - (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
 - (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

VIII. Evaluation mechanism:

- (1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- (2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

Note: *These are general terms and conditions of appointment of Independent Directors and are subject to change.*