

Date: (•)

Dear Mr. / Ms. (•),

Sub : Letter of Appointment

You have been appointed as an Independent Director by the Board of Directors of the Company (“the Board”) with effect from (•).

The terms and conditions of your appointment are as under:

(a) Term of Appointment

Your appointment as an Independent Director shall be for a period of (•) years with effect from (•). You shall hold office until (•). You shall not be liable to retire by rotation.

(b) Expectation of the Board, Committee memberships and its tasks

A. Expectation of the Board

As an independent director you shall:

- (i) uphold ethical standards of integrity and probity;
- (ii) act objectively and constructively while exercising your duties;
- (iii) exercise your responsibilities in a *bona fide* manner in the interest of the Company;
- (iv) devote adequate time and attention to your professional obligations for informed and balanced decision making;
- (v) refrain from any action that would lead to loss of your independence;
- (vi) where circumstances arise which may lose your independence, you shall immediately inform the Board accordingly;
- (vii) assist the Company in implementing the best corporate governance practices.

B. Committee Memberships and its tasks

You have been appointed by the Board as a member of the following committees:

- a) (•) Committee
- b) (•) Committee
- c) (•) Committee
- d) (•) Committee

Role of Audit Committee

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for

purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;

19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Role of Stakeholders Relationship Committee

To monitor redressal of investor complaints received from stock exchanges, SEBI and shareholders.

Role of Compensation and Remuneration Committee

- i) Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- ii) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- iii) While formulating the policy under (ii) above, ensure that—
 - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Role of Corporate Social Responsibility Committee

- i) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013;

- ii) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- iii) Monitor the Corporate Social Responsibility Policy of the Company from time to time.

(c) Duties and Liabilities

As an independent director you shall:

- (i) undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the company;
- (ii) 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;
- (iii) strive to attend all meetings of the Board and of the Board committees of which he is a member;
- (iv) participate constructively and actively in the committees of the Board in which you are a member;
- (v) strive to attend the general meetings of the Company;
- (vi) where there are concerns about the running of the Company or a proposed action, you shall ensure that these are addressed by the Board and, to the extent that these are not resolved, you shall insist that the concerns are recorded in the minutes of the Board meeting;
- (vii) keep yourself informed about the Company and the external environment in which it operates;
- (viii) 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;
- (ix) 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;
- (x) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;

- (xi) act within your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;

(d) Code of Conduct

You shall:

- i) Fulfill the functions of the office with integrity as well as professionalism and exercise the powers attached thereto, with due care and diligence.
- ii) Act in the best interests of, and fulfill the fiduciary obligations to the Company's shareholders, whilst also considering the interests of other stakeholders.
- iii) Take informed business decisions based on independent judgment and in the best interests of the Company, not influenced by personal interest or gain.
- iv) Respect the confidentiality of information and use utmost discretion whilst deciding its disclosure or dissemination, ensuring that no personal advantage or detriment to the Company results from the same.
- v) Make available to, and share information with fellow Directors / Executives when considered expedient in the best interests of the Company.
- vi) Protect and use the Company's assets for legitimate business purposes and be alert to situations that could lead to loss or misuse of these assets.
- vii) Minimise any situation or action that can create conflict of interests of the Company vis-à-vis personal interest or interests of associated persons, and make adequate disclosures, where necessary.
- viii) Act in a manner that will protect the Company's reputation.
- ix) Encourage reporting of misbehaviour, and ensure that the person reporting such violation is not aggrieved in any manner.
- x) Comply, in spirit and in letter, with all applicable laws, rules and regulations.
- xi) Abide by the relevant terms of the Insider Trading Code formulated by the Company, and any other code that may be formulated from time to time, as applicable.

- xii) Adhere to the terms of the powers delegated by the Board.
- xiii) Whilst entering into contracts with service providers and consultants, protect the arrangement for disclosure or dissemination of confidential information.
- xiv) Establish processes and systems for storage, retrieval and dissemination of documents, both in physical and electronic form.
- xv) Raise concerns, if any, on the above issues, at a Board Meeting.

(e) Actions you should not do while functioning as such in the Company and in particular:

- i) Not allow any extraneous considerations that will vitiate your 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;
- ii) Not abuse your 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;
- iii) 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) Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;

(f) Remuneration

- a) As an independent director of the Company you will be paid such remuneration as the Board may decide from time to time, subject to the approval of the shareholders of the Company.
- b) The Company may reimburse out-of-pocket expenses incurred by the independent directors for attending the meetings.
- c) The Board may decide from time to time, sitting fees payable to independent directors for attending meetings of the Board or committees thereof.

You shall not participate in the meeting on any discussion relating to the remuneration payable to you.

Your performance evaluation shall be done by the Board.

Income Tax

The Company shall deduct Income Tax at source as per provisions of Income Tax Act / Rules in respect of any payment made to you.

Jurisdiction

All disputes arising out of this letter will be subject to the sole jurisdiction of the Mumbai Court. The courts, tribunals and/or authorities at Mumbai only shall have jurisdiction to entertain, try and decide such disputes or differences arising out of or pertaining to this Letter of Appointment.

You are requested to return the enclosed copy duly signed as a token of your acceptance of the terms and conditions of this Letter of Appointment.

Thanking you,
For Accelya Kale Solutions Limited

Managing Director

Accepted : _____
(_____)