

Month DD, YYYY

(Mr, Ms or Dr) First and then last name

Building or Bungalow name

No street name

City (town or Village) name Postal index number, State name

Contry

Dear Mr (Ms or Dr) .....:

### **Appointment as an Independent Director**

We thank you for consenting to be a Director on the Board of Amal Ltd (the Company) and for your confirmation that you are meeting the criteria for 'independence' as envisaged in Section 149 (6) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI LODR").

We are pleased to inform you that upon the recommendation of the Nomination and Remuneration Committee, the Board and the Shareholders have approved your appointment as an Independent Director of the Company. This letter sets out the terms of your appointment; your relationship with the Company will be that of an office-bearer. This letter does not constitute a contract of employment with the Company.

The terms of your appointment, as explained in this letter, are subject to the extant provisions of the (i) applicable laws, including the Companies Act, 2013 and the SEBI LODR and (ii) Articles of Association of the Company.

## 01) Appointment

Your appointment is effective Month DD, YYYY and will be for an initial term of five years (that is upto Month DD, YYYY) unless it ends earlier as per the provisions of this letter or applicable laws .

At the end of the term, with your consent, the Nomination and Remuneration Committee may recommend your reappointment to the Board. Your reappointment will be considered by the Board based on the outcome of the performance evaluation process and you continuing to meet the criteria for 'independence'; your reappointment will be subject to the approval of the Shareholders.

As an Independent Director, you will not be liable to retire by rotation.

## 02) Committees of the Board

During your tenure, you may be required to serve on one or more of the Committees of the Board. Currently, the Board has four Committees: Audit Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. The Board may restructure or reconstitute the Committees and (or) their composition from time to time. You will continue to be the Chairperson of ... .. Committee(s) and a Member of ... .. Committee(s) of the Board.

## 03) Responsibilities, Duties and Role

- A. The Independent Directors also have the same general legal responsibilities as that of any other Director. The Board as a whole is collectively responsible for the performance of the Company.
- B. The Independent Directors will abide by the 'Code for Independent Directors' as outlined in Sub-section 8 of Section 149 of the Companies Act, 2013 read with Schedule IV thereof and 'Duties of Directors' as provided in the same Act (with particular reference to Section 166) and also in the SEBI LODR. For your ready reference, the relevant provisions have been extracted and enclosed.

C. The role of an Independent Director will have the following key elements:

**Strategy:** The Independent Director will exercise his (her) independent judgment and constructively challenge strategy whenever required and advocate what he (she) believes to be in the best interest of the Company and its Shareholders.

**Performance:** The Independent Director will objectively scrutinise the performance of the Management in general and the top Management in particular in meeting the agreed short-term and long-term objectives.

**Risk:** The Independent Director will satisfy himself (herself) of the integrity of financial information and that the financial controls and the risk management processes are robust and defensible.

**People:** The Independent Director will have a prime role in appointing and, if required, removing the Executive Director(s) and in succession planning of key management personnel.

**Reporting:** The Independent Director will oversee and ensure appropriate financial processes for accurately reporting the performance and the financial position of the Company.

**Compliance:** The Independent Director will evaluate the efficacy of the relevant processes established by the Company and thus help ensure compliance with the applicable laws and regulations.

#### 04) Amal Code of Conduct

As an Independent Director, you agree to comply with the Amal Code of conduct for the Board and Senior Management. For your ready reference, the key elements of the Code of conduct for the Board and Senior Management are outlined below:

A. The Non-executive Director will ensure that any personal or business association he (she) may have does not have any conflict of interest with the operations of the Company and his (her) role therein.

- B. The Non-executive Director will comply with the relevant laws and regulations of the relevant regulatory and other authorities as may be applicable to him (her) in his (her) individual capacity.
- C. The Non-executive Director will safeguard the confidentiality of all the information he (she) may receive by virtue of his (her) position. This obligation will survive cessation of his (her) position as a Director of the Company.
- D. The Non-executive Director will not, unless specifically authorised by the Company, disclose any information (pertaining to the Company or its businesses) to public constituencies such as the media, etc.

## 05) Time commitment

As an Independent Director, you are expected to bring independence of view to the discussions in the meetings and help provide the Board and its Committees with effective leadership in relation to the strategy, performance and risk management of the Company as well as high standards of financial probity and corporate governance. As such, considering the nature of the role of an Independent Director, it is difficult for a company to lay down specific parameters on time commitment. You agree to devote such time as may be prudent and necessary for the proper performance of your duties and role as an Independent Director.

The Board, the Audit Committee and the Stakeholders Relationship Committee generally meet five times in a year; the Investment Committee, the Nomination and Remuneration Committee and the Corporate Social Responsibility Committee generally meet twice a year.

## 06) Remuneration

As an Independent Director, you will be paid sitting fee for attending the meetings of the Board and the Committees thereof of which you are a Member. In addition, you will be paid commission in accordance with a Scheme approved by the Board.

The current sitting fee is ₹35,000 per meeting (except for the Stakeholders Relationship Committee for which sitting fee is ₹10,000 per meeting). The commission is determined based on the following parameters:

- A. Profit of the Company
- B. Attendance in the Board meetings
- C. Membership of Committees of the Board
- D. Attendance in the Committee meetings
- E. Performance evaluation

#### **07) Reimbursement of expenses**

In addition to the remuneration mentioned in 06 above, the Company will, for the period of your appointment, reimburse you for travel, accommodation and incidental expenses incurred by you for performing your responsibilities, duties and role.

#### **08) Insurance**

You are covered by the Directors' and Officers' Liability Insurance policy taken by the Company. It is intended to maintain such insurance cover upto the term of your appointment subject to the terms of such policy in force from time to time.

#### **09) Induction**

The Company will conduct formal induction program for every new Independent Director which may include presentations by and interactions with some (or all) of the Members of Management Committee so as to familiarize (the Director) with the following:

- A. Purpose and Values of the Company
- B. Vision and strategy of the Company and its businesses
- C. Financials of the Company and its businesses
- D. Management of risks
- E. Key executives

#### **10) Performance evaluation**

The Company has adopted a policy on evaluation of performance of the Board; the policy provides for evaluation of the Board, its committees and individual Directors, including the Chairperson of the Board.

The Nomination and Remuneration Committee will determine the criteria of evaluation which will be disclosed in the Annual Report of the Company. The evaluation process will be a constructive mechanism to further enhance the effectiveness of the Board and its Committees.

#### **11) Disclosure of business interests**

- A. It is accepted and acknowledged that you may have business interests other than those of the Company. You are required to promptly declare any such interests, directorships and appointments and changes therein to the Board in writing.
  
- B. In the event that your circumstances seem likely to change and may give rise to a conflict of interest or revise your status as an Independent Director, you are required to inform the Chairman and the Company Secretary.

#### **12) Cessation**

- A. Your directorship on the Board of the Company may cease before the end of the term in accordance with the applicable laws. You may resign during the term as a Director of the Company by giving a notice in writing to the Board stating the reason(s) therefor.
  
- B. If at any stage during the term, there is a change that may affect your status as an Independent Director as envisaged in the Companies Act, 2013 or the SEBI LODR, you agree to resign as a Director.

#### **13) Cooperation**

In the event of any claim or litigation against the Company, based on any alleged act, conduct or omission on your part during your term, you will render reasonable assistance and cooperation to the Company and provide all such information as may be reasonably requested for.

#### **14) Miscellaneous**

- A. This letter represents the entire understanding and constitutes the whole agreement in relation to your appointment and supersedes any previous agreement between yourself and the Company.

B. As per the SEBI LODR, this letter along with your detailed profile will be disclosed on the website of the Company.

### **15) Acceptance of appointment**

We are delighted to have you on the Board; we are confident that the Company and the Board will immensely benefit from your association, varied experience and advice. Please confirm your acceptance by signing the enclosed copy of this letter.

With warm regards,

Yours sincerely,

(On behalf of Amal Ltd)

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