

**DRAFT LETTER OF APPOINTMENT FOR INDEPENDENT DIRECTOR**

Date: \_\_\_\_\_

Mr./Mrs. \_\_\_\_\_

**SUB: APPOINTMENT AS INDEPENDENT DIRECTOR**

Dear Sir/Madam,

On Behalf of the Board I am pleased to inform you that the shareholders of the company have approved your appointment as a Non-Executive Independent Director of Company at General Meeting of the Company held on \_\_\_\_\_ pursuant to the provisions of the Companies Act, 2013 (the "Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein referred as SEBI (LODR) Regulations, 2015). In this respect, your role and responsibility as an Independent Director is formalize through this letter of appointment.

This letter sets out the terms of your appointment as an Independent Director. Your relationship with the Company will be that of an office-holder and not one of contract for employment in the Company.

The terms of your appointment, as set out in this letter, are subject to the extant of provisions of the Companies Act, 2013 (the "Act") and Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein referred as SEBI (LODR) Regulations, 2015), as may be amended from time to time and Articles of Association of the Company and based on recommendation of Board of Directors or its Committee thereof.

**1. Appointment and terms thereof**

In accordance with the provisions of Section 149 and 152 and other applicable provisions of the Companies Act, 2013 (the "Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 ("Rules"), your appointment as a Non-Executive Independent Director on the Board of Directors (the "Board") of Marshall Machines Limited will be for an initial term up to \_\_\_\_ years with effect from \_\_\_\_\_ unless terminated earlier or extended, as per the provisions of this letter or applicable laws.

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

Your re-appointment for the second term shall be based on recommendation of the Nomination & Remuneration Committee and subject to approval of the Board and the Shareholders which shall be further based on the outcome of the performance evaluation process and your continuing to meet independence criteria. The Company is at liberty to disengage Non- Executive Independent Director earlier subject to compliance of relevant provisions of Companies Act, 2013.

You may resign from your position at any time by serving a reasonable written notice on the Board. In terms of the provisions of Companies Act, 2013, you are required to file a copy of your resignation letter with the Registrar of Companies, Chandigarh.

## **2. Board Committee**

The Board may, if it deems fit, invite you for being appointed on one or more existing Board Committees or any such Committee that may be set up in the future. Your appointment on such Committee(s) will be subject to the applicable regulations.

## **3. Role, Duties and Responsibilities**

- a. The duties and liabilities that come with your appointment would be as per the provisions of Companies Act, 2013 (including Rules thereunder) and other laws applicable to the Company, Company's policies, Code of Ethics and the Articles of Association of the Company, as may be amended from time to time.
- b. You will apply the highest standards of confidentiality, and not disclose to any person or Company (whether during the course of the tenure as Non-Executive Independent Director or at any time after its cessation), any confidential information concerning the Company and any Group Companies with which you come into contact by virtue of your position as a Director, except as permitted by law or with prior clearance from the Board of Directors.
- c. As a Non-Executive Independent Director you have the same general legal responsibilities to the Company as any other Director, except that you shall be held liable only in respect of such acts of omission or commission by a Company which had occurred with your knowledge, attributable through board processes and with your consent or connivance or where you had not acted diligently.
- d. You will adhere to the following fiduciary duties of directors, as are stipulated in Section 166 of the Companies Act, 2013 –

- i. To act in accordance with the Articles of the Company subject to the provisions of this Act;
- ii. To 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, its employees, the shareholders, the community and for the protection of environment;
- iii. To exercise the duties with due and reasonable care, skill and diligence and shall exercise independent judgment;
- iv. Not to involve 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. Not to achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners, or associates and in any case you are found to be guilty of making any undue gain, you shall be liable to pay an amount equal to that gain to the Company;
- vi. Not to assign director's office and any assignment so made shall be void.

#### **4. Code of Conduct**

During the appointment, you will comply with any relevant regulations as may be issued by the Central Government and such other authorized bodies as set up by the Government on its behalf, including the Code for Independent Directors stated under Schedule IV to the Act, as in force and as may be amended from time to time, Insider Trading Code and such other requirements as the Board of Directors may from time to time specify.

At the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect your status as an independent director, you shall give a declaration to that effect confirming that you meet the criteria of "independence" as provided in Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in format as per Annexure A to this letter.

#### **5. Remuneration & Reimbursement**

You will be paid such remuneration by way of sitting fees for attending the meetings of the Board and the Committees as may be decided by the Board from time to time, subject to approval of the shareholders, if required.

In addition to the abovementioned fees, the Company will reimburse to you any incidental and

other expenses, incurred, at actuals while your visits for the purpose of attending Board/Committee Meetings of the Company.

Further, you shall not be entitled to any bonus during your tenure nor you shall be granted any stock option, if any formulated by the Company.

## **6. Induction & Development**

The Company shall, if required, conduct formal induction program for its Independent Directors.

The Company shall, as may be required, support Directors to continually update their skills and knowledge and improve their familiarity with the Company and its business. The Company will fund/arrange for training on all matters which are common to the whole Board.

## **7. Evaluation of Performance**

As a member of the Board, your performance shall be evaluated annually. Evaluation shall be done by all the other Directors. The criteria for evaluation shall be determined by the Nomination & Remuneration Committee and disclosed in the Company's Annual Report. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board/Committee.

## **8. Disclosures, other Directorships and Business Interests**

During your tenure, you agree to promptly notify the Company of any change in your Directorships and provide such other disclosures and information as may be required under the applicable laws. You also agree that upon becoming aware of any potential conflict of interest with your position as Independent Director of the Company, you shall promptly disclose the same to the Company.

Further, you shall provide a declaration under Section 149(6) of the Act, upon any change in circumstances which may affect your status as an Independent Director.

## **9. Termination**

Your Directorship on the Board of the Company shall terminate or cease in accordance with law. Apart from the grounds of termination as specified in the Act, your Directorship may be

terminated for violation of any provision of the Code of Conduct of the Company.

You may resign from the Directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation. The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by you in the notice, whichever is later.

Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 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.

If, at any stage during the term, there is a change that may affect your status as an Independent Director as envisaged in Section 149(6) of the Act, or if applicable, you fail to meet the criteria for "independence" under the regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, you agree to promptly submit your resignation to the Company with effect from the date of such Change.

#### **10. Changes of personal details**

During the term, you shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

#### **11. Publication of the letter of appointment**

In line with provisions of the Companies Act, 2013, the Company may make public a generic copy of this letter on its website.

#### **12. Miscellaneous**

- 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 with respect thereto and, without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom.
- No waiver or modification of this letter shall be valid unless made in writing and signed by

you and the Company.

- This letter shall be disclosed on the website of the Company.
- This letter is governed by and will be interpreted in accordance with Indian laws and will be subject to jurisdiction of the Indian courts.

Please confirm your acceptance by signing and returning the enclosed copy of this letter.

Yours sincerely,

**For Marshall Machines Limited**

**(Mr. Gaurav Sarup)**  
**Managing Director**

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**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.

\_\_\_\_\_  
NAME:

PLACE:

DATE: