

Model letter of appointment to be issued to Independent Directors on their appointment at the Annual  
General Meeting of the Company (subject to amendment/modification)  
(On the letter head of the Company)

[Date]

To,  
[Name]  
[Address]

Dear Sir,

**Sub: Your appointment as an Independent Director on the Board of the Company**

We are pleased to inform you that the members of the Company at their 48<sup>th</sup> Annual General Meeting held on September 3, 2014 have approved your appointment as an Independent Director on the Board of the Company. This letter sets out terms of your appointment as an Independent Director.

**1. Appointment**

Your appointment shall be for an initial period of 5 years effective from April 1, 2014. Your appointment shall be valid subject to compliance with the provisions of the Companies Act, 2013 and other applicable laws. As an Independent Director you will not be liable to retire by rotation.

**2. Board level committees**

In line with provisions of Companies Act, 2013, listing agreement and for administrative convenience the Board has formed six committees namely (i) Audit Committee (ii) Nomination and Remuneration Committee (iii) Stakeholders Relationship Committee (iv) CSR Committee (v) Compensation Committee (ESOP) and (vi) Borrowing, Investment & Administrative Committee. You will serve all the Committees where you are already the Chairman/member. As per Boards current decision you are the Chairman/member of the following Committees of the Board:

[To be modified as applicable]

<b>Committee</b>		<b>Objectives</b>
<b>Nomination &amp; Remuneration Committee</b>	[Chairman/ member]	The Committee formulates criteria for determining qualifications, positive attributes, evaluation and independence of director and recommend to Board a policy, relating to remuneration of directors, key managerial personnel and other employees
<b>Stakeholders Relationship Committee</b>	[Chairman/ member]	The Committee considers and resolves grievances of security holders of the Company.
<b>CSR Committee</b>	[Chairman/ member]	The Committee formulates and recommends to Board CSR Policy. The Committee shall also implement CSR policy.
<b>Audit Committee</b>	[Chairman/ member]	Audit committee recommends appointment and remuneration of auditors, examine financial statements and auditors' report, scrutinize inter-corporate loans and investments and evaluate internal financial controls and risk management etc.

The Board may constitute a new committee or re-constitute the constitution of any of the committees, from time to time. In such case you may also be required to serve upon other committees of the Board.

### 3. Role & duties

- A. Your role and duties as an Independent Director would be as provided in the Companies Act, 2013 read with applicable rules, listing agreement and other applicable laws.
- B. There are certain duties prescribed for all Directors which are fiduciary in nature. As member of the Board you along with the other Directors will be collectively responsible for such duties as under:
  - i. 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, its employees, the shareholders, the community and for the protection of environment.

- ii. You shall exercise your duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
  - iii. You shall not 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.
  - iv. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners, or associates.
  - v. You shall not assign your office as Director.
- C. As an Independent director you shall abide by the Code of Independent Director as enumerated under Schedule IV of the Companies Act, 2013. For your reference Schedule IV is attached herewith this letter.
- D. As an Independent Director you shall provide guidance in the area of your expertise. You are expected to devote sufficient time for performance of role and duties as an Independent Director.

#### **4. Insurance**

The Company will take appropriate Directors' & Officers' Liability Insurance Policy to cover all the Directors and officers of the company.

#### **5. Confidentiality**

You are expected to maintain the confidentiality of the proceedings of the Board and Committee meetings. You shall not disclose confidential information in your possession unless expressly approved by the Board or required under any law.

You shall comply with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and company's Insider Trading Policy which related to use or disclosure of un-published price sensitive information and dealing in securities of the company. For your reference the company's Insider Trading Policy is attached herewith this letter.

#### **6. Code of Conduct**

The Company has in place a Code of Conduct to be observed by Directors and Senior Employees. The Code of Conduct is also placed at web site of the company. As a Director, you are required to comply with company's Code of Conduct. For your reference the Code of Conduct is attached herewith this letter.

## **7. Conflict of Interest**

- A. You may have business or other interests other than those of the company. In the event that such interest gives rise to situation of conflict of interest which require the judgment of the Board that you are Independent. You will promptly disclose to the Board any change in circumstances which may affect your status as an Independent Director.
  
- B. You will neither serve on the board nor take any assignment or employment with competing entities.

## **8. Remuneration**

As a Non- Executive Director you shall be paid sitting fee for attending the meeting of the Board and the Committees of the Board in which you are a member. At present, sitting fee for Board and Committees of the Board is Rs.60,000 each meeting respectively.

The company bears or reimburses the expenses of travel, stay and conveyance in relation to attending the meetings of the Board and Committees thereof.

Kindly confirm your acceptance by signing and returning a copy of this letter to the company.

Yours truly,

Chairman

For and on behalf of Jamna Auto Industries Ltd

Agreed and Accepted

[Name of Director]