

19<sup>th</sup> September, 2014  
Mr. /Mrs. ....  
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**Sub: Appointment Letter**  
**Ref : AGM held on September 19, 2014**

Dear Sir/Madam,

We are pleased to inform you that the Members of the Company at the Twenty-Fourth Annual General Meeting (AGM) held on Friday, September 19, 2014 have appointed your good self as an Independent Director of the Company for a period of 5 (five) consecutive years w.e.f. September 19, 2014 i.e. the date of the Twenty-Fourth Annual General Meeting (AGM) of the Company.

The terms and conditions of your appointment are as follows:

1. Term of Appointment : 5 (five) years w.e.f. 19.09.2014 (Date of AGM)
2. Role and functions

Your role and function shall be guided as per the Code for Independent Directors (Schedule IV) pursuant to Section 149(8) of the Companies Act, 2013, which have been stipulated as under:

- a) bringing an independent judgement to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- b) bringing an objective view in the evaluation of the performance of board and management;
- c) scrutinizing the performance of management in meeting agreed goals and objectives and monitoring the reporting of performance;
- d) satisfying oneself on the integrity of financial information and that financial controls and the system of risk management are robust and defensible;
- e) safeguarding the interests of all stakeholders, particular the minority shareholders;
- f) balancing the conflicting interest of the shareholders;
- g) determining appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in

appointing and where necessary recommending removal of executive directors, key managerial personnel and senior management.

- h) moderating and arbitrating in the interest of the Company as a whole, a situation of conflict between managed and shareholder's interest.
3. The Board expects a time commitment from your good self which would include the following :
- a) You shall strive to attend all meetings of the Board of Directors and of the Board Committees of which you are a Member;
  - b) You shall participate constructively and actively in the Committee of the Board in which you are a Chairperson or Member;
  - c) You shall strive to attend the general meeting of the Company;

You shall be intimated in advance of the date, time and venue of the meetings of the Board or Committee thereof in which you are a member and Annual General Meeting and general meetings, if any, for attending the said meetings.

4. While performing your duties as an Independent Director, the Board expects you to :
- a) 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;
  - b) ensure, where you have concerns about the running of the Company or a proposed action, that there are addressed by the Board and, to the extent that they are not resolved, insists that concerns are recorded in the minutes of the Board meeting.
  - c) keep yourself well informed about the company and the external environment in which it operates;
  - d) not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
  - e) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure that the same are in the interest of the Company;
  - f) ascertain and ensure that the Company has as 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;

- g) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
  - h) act within authority, assist in protecting the legitimate interest of the Company, shareholders and in employees;
  - i) 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;
  - j) constructively challenge and contribute to the development of overall strategy of the Company;
5. The Company would be taking Director's and Officer's Liability Insurance Policy to safeguard and protect the interests of its Directors and Officers from any contingent liabilities as a good corporate governance measure.
6. The Independent Directors are expected to :
- a) abide by the Code for Independent Directors as specified under Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges including any amendment thereof in future;
  - b) abide by the Shristi Code of Ethics for Board of Directors and Senior Executives formulated and approved by the Board.
  - c) follow the below mentioned professional conduct as an Independent director of the Company;
    - i. uphold ethical standards of integrity and probity;
    - ii. act objectively and constructively while exercising your duties;
    - iii. exercise responsibilities in a bona fide manner in the interest of the Company;
    - iv. devote sufficient time and attention to your professional obligations for informed and balanced decision making;
    - v. where circumstances arise which make an Independent Director lose his independence, the Independent Director must immediately inform the Board accordingly;
    - vi. assist the Company in implementing the best corporate governance practices.

7. List of action prohibited:

You shall not

- a) serve as an Independent Director in more than 7 (seven) listed Companies or such increased or decreased limit as may be specified in future under Clause 49 of the Listing agreement. However, if you are serving as a wholtime director in any listed company, you shall serve an Independent Director in not more than 3 (three) listed companies.
- b) disclose the information acquired during your appointment as an Independent Director which are confidential to the Company and should not be disclosed either during your appointment or following termination (by whatever means) to third parties except as permitted by law and with prior clearance from the Chairman;
- c) undertake any action that would lead to loss of independence;
- d) abuse your position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage for any associated person;
- e) allow any extraneous considerations that will vitiate 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;
- f) participate in a discussion for a contract or arrangement or a proposed contract or arrangement with a body corporate or a firm or other entity, in case you are interested, directly or indirectly, inter-alia, due to following reasons and shall bring the same to the notice of the Board forthwith –
  - You, either individually or together with other directors, hold more than 2% shareholding of that body corporate or are a Promoter, Manager, Chief Executive Officer of that body corporate;
  - You are a partner of that firm or owner or member of that entity.

8. Remuneration :

- a) You shall be paid sitting fees for attending the meetings of the Board or any Committee thereof or for any other purpose whatsoever as may be decided by the Board from time to time;
- b) You shall be reimbursed the expenses for participation in the Board and other Committee meetings;
- c) Pursuant to Section 197(4), you shall/may be entitled to professional fees if the services rendered to the Company by your goodself are of a professional nature and you have the requisite qualification for the practice of the profession. The payment of fees shall be subject to the approval of Nomination and Remuneration Committee and the Board of Directors.

9. Discontinuation :

- a) Your Directorship on the Board of the Company shall terminate or cease in accordance with law or in accordance with provisions contained in the Articles (as may be amended from time to time), Apart from the grounds of termination as specified in the Act or Articles, your Directorship may be terminated for violation of any provision of the Code of Conduct of the Company;
- b) 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;
- c) If, at any stage during the term of your Directorship, 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 provisions of Clause 49 of the Listing Agreement, you agree to promptly submit your resignation to the Company with effect from the date of such change. You shall also promptly submit your resignation to the Company as and when the Board of Directors by majority decision pass a resolution to that effect;
- d) Upon such termination or resignation for any reason or on not having been re-appointed by the shareholders for any reason, you shall not be entitled to any damages or compensation for loss of office or otherwise and no fee or remuneration or commission, as the case may be, will be payable to you in respect of any unexpired portion of the term of your appointment.

10. Others:

You shall give annual declaration as required under the provision of Section 149(7) of the Companies Act, 2013 and the rules made thereunder and Clause 49 of the Listing Agreement with Stock Exchanges. Besides above, you shall provide following disclosures as required under the Companies Act, 2013 and Rules framed thereunder as well as the Listing Agreement:

- a) consent in writing to act as Form DIR-2;
- b) intimation in Form DIR-8 to the effect that you are not disqualified under Section 164(2) of the Companies Act, 2013;
- c) disclosure of interest or concern, directly or indirectly, in any company, body corporate, firms or other association of individuals in Form MBP-1 pursuant to Section 184(1) of the Companies Act, 2013 and the Rules thereunder at the first Board Meeting in which you participate as a Director and thereafter at the first Board Meeting in every financial year;

The Appointment Letter is issued based on the Companies Act, 2013, Rules framed thereunder, Listing Agreement with Stock Exchanges and other Regulations prevalent at the time of appointment. Any change in the above shall automatically entail changes in the terms and conditions.

We look forward for your valuable contribution and guidance to the growth of the Company.

Thanking you,

Yours faithfully,

**For and on behalf of Board of Directors**

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Managing Director  
Shristi Infrastructure Development Corporation Limited

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I have read and agree to the above terms regarding my appointment as a Independent Director of Shristi Infrastructure Development Corporation Limited

**Mr./Mrs. ....**  
**Independent Director**  
**(DIN: ....)**

Date: 19<sup>th</sup> September, 2014

**This is a Model Letter of Appointment and is subject to Amendment/ Modification.**