

(Draft letter of appointment to Independent Directors)

Date : _____

To,
Shri _____

Sub: Letter of Appointment as an Independent Director

Dear Shri _____

I am extremely glad to inform you that the Shareholders of the Company at their Annual General Meeting held on _____ have approved your appointment as an “Independent Director”. The terms and conditions covering your appointment are as under:

Term of Appointment : Your appointment will be for five (5) years with effect from _____ and during your tenure you will not be liable to retire by rotation.

Expectation of the Board : As an Independent Director you are expected to help in bringing an independent judgment to bear on the Board’s deliberations and to bring objectivity and independent view. You are also expected to safeguard the interests of all stakeholders and balance the conflicting interest of the stakeholders. You will be expected to attend meeting of Board, Board Committees to which you may be appointed and General Meetings of the Shareholders and to devote such time to your duties, as appropriate for you to discharge your duties effectively.

Board-level committees : The Board of Directors have power to constitute committees to perform functions as specified in the Companies Act, 2013 and rules made thereunder and the listing agreement or as specified by the Board. The Board may reconstitute the composition of any/all Committees, from time to time, and any such changes shall be promptly communicated to you.

Fiduciary duties that come with such appointment along with accompanying liabilities : As an Independent Director of the Company, your role and duties shall be those normally required for a Non-Executive Independent Director under the Companies Act, 2013 & rules made thereunder and the listing agreement. You shall abide by the provisions specified (Code for Independent Directors) in Schedule IV of the Companies Act, 2013.

Code of Business Ethics : During your tenure as a Director you are expected to comply with all the relevant regulations as may be applicable under the relevant statutes and such other requirements as the Company or Board of Directors may from time to time specify including Code of Conduct for Board Members and Senior Management of the Company.

List of actions not to do : During your tenure as a Director you are requested not to serve on the Board of such Company which has been defaulted in payment of its dues to Government, Banks and Institutions. You are also expected not to 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.

Remuneration & Reimbursement of Expenses : You will not be considered as an employee of the Company and this letter shall not constitute a contract of employment. You may be paid sitting fees for the meeting of Board and its Committees as may be decided by Board subject to ceiling as may be prescribed under law for the time being in force.

Disclosure of Interest : During your tenure as a Director of the Company you will kindly disclose your interest in accordance with the manners provided under Companies Act, 2013 and rules made thereunder or any other law for the time being in force. You are also expected to notify the changes of your interest within the prescribed time.

During your tenure as a Director of the Company you will also promptly provide a declaration that you meet the criteria of independence as provided in section 149(6) of the Companies Act, 2013 and will intimate to the Company upon any change in circumstances which may affect your status as an Independent Director.

Resignation or Removal : You may resign at any time but you are requested to serve a written notice on the Board along with the reason thereof and you have to comply with the provisions of the Companies Act, 2013 and rules made thereunder.

Your appointment may be ceased in the event as provided under Companies Act, 2013 and rules made thereunder.

Your appointment may also be terminated in accordance with the provisions of the Companies Act, 2013 and rules made thereunder & Articles of Association of the Company.

Evaluation mechanism and Re-appointment : Your performance evaluation shall be done by the Board of Directors including Nomination and remuneration Committee, excluding yourself. On the basis of the report of performance evaluation, your re-appointment shall be determined.

Miscellaneous : Separate meeting of independent directors will be held and you shall strive to be present in the said separate meeting.

This Letter of Appointment is governed by Companies Act, 2013 and rules made thereunder, listing agreement entered with stock exchanges and all other applicable Indian laws for the time being in force.

Acceptance : We are confident that the Board and the Company will benefit immensely from your rich experience and we are eager to look forward for the growth of the Company. Kindly confirm your acceptance by signing the duplicate copy of this letter.

Your sincerely,
for **Som Datt Finance Corporation Limited**

Director

I have read and agree to the above terms regarding my appointment as an Independent Director of Som Datt Finance Corporation Limited.

(_____)