

Draft Letter of Appointment of Independent Director

Date:

To,
Name of Director
Address

Sub: Letter of Appointment of Independent Director

Dear Sir,

We are pleased to inform you that the Board of Directors of the Company at their meeting held on, 2014 have appointed you as an Independent Director of the Company, pursuant to the Companies Act, 2013. The appointment is subject to the approval of shareholders at the next Annual General Meeting.

As per the requirements of the Companies Act, 2013, the above is being formalized through this letter of appointment. Please note that this is a contract for service and is not a contract of employment.

Appointment

Your appointment is for a consecutive period of **years** for a term up to conclusion of Annual General Meeting of the Company in calendar year, and subject to the approval of the shareholders at the next Annual General Meeting of the Company. Further the tenure is subject to your meeting the criteria for being an Independent Director and not being disqualified to be a Director under the applicable regulations.

You will be eligible for re-appointment for another term of up to 5 years, subject to your fulfilling the criteria for being an Independent Director, not being disqualified to be a Director and keeping in view the retirement policy for non-executive directors. Further, the re-appointment shall be on the basis of report of your performance evaluation by the Board of Directors. The reappointment would require Special resolution of shareholders and any other necessary approvals.

Role on the Board

You are expected to provide your expertise in the area of multilateral trade and investment, economic and business policy, corporate governance and social contribution of business and in the functioning of the Board and the committees of the Board you may be nominated. In addition to routine board meetings you should allow time for committee meetings, preparatory work and travel, and ensure that you are in a position to make necessary overall time commitment.

You may be nominated on one or more committees of the Board and in such event you will be provided with the relevant committee's terms of reference and any specific responsibilities. You are currently nominated on the following committees of the Board whose terms of reference have been provided to you:

- a) Member of the Audit Committee
- b) Member of the Nomination and Remuneration Committee
- c) Member of Stakeholders Relation Committee

Duties and Liabilities

The duties and liabilities that come with your appointment would be as per the applicable laws, Company policy and the Articles of Association of the Company. The laws that currently govern the duties and liabilities of an Independent Director are the Companies Act, 2013 (including Rules thereunder) and the Listing Agreement with the Stock Exchanges, some of which are specifically outlined below.

You will follow "the Code for Independent Director" as per Schedule IV of the Companies Act, 2013 and Company policy.

For your information, revised Clause 49 of the Listing Agreement dealing with corporate governance framework would be applicable with effect from 1st October, 2014.

You are required to make disclosure of your interest as per the requirements of Section 184 of the Companies Act, 2013.

In case you so desire, Company would provide support to help you familiarize yourself with the relevant duties and obligations.

Technology

You may give your consent by advance notification to the Chairman or Company Secretary to participate in any meeting(s) of the Board or committee of directors, when necessary

through video conferencing or other audio visual means, except for matters not to be so dealt under the Companies Act, 2013. When necessary, you can also participate through telephone, electronic mail or any other technology which permits you to communicate with every other Director, through such participation would not be reckoned as attending the meeting under the Companies Act, 2013.

Independence

The Board of Directors of the Company inter alia has been given due consideration to your declaration of being qualified as “Independent” in accordance with the provisions of Companies Act, 2013 and the Listing Agreement with Stock Exchange. You are expected to continue to be qualified as “Independent” during your tenure and provide periodic declaration to the effect as required by regulations. You will be identified as “Independent Director” in the annual report and other documents and publications of the Company. If circumstances change and you believe it may not be possible for you to retain your independence you should discuss this with the Chairman as soon as possible.

Evaluation Processes

You will follow the code of business conduct and furnish an annual affirmation of the same.

You will apply the highest standards of confidentiality and not disclose to any person or company (whether during the course of the tenure as 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 Chairman or Company Secretary.

Prohibition of Insider Trading

You will follow the policy on insider information and the requirements under the Companies Act, 2013 and SEBI Regulations, which inter-alia requires that price-sensitive information is not used or transmitted and maintained security. You should not make any statements that might risk a breach of these requirements without prior clearance from the Chairman or Company Secretary.

Remuneration

You will be entitled for sitting fees for attending the meetings of the Board or committee thereof either personally or through Video conference or other audio visual means or for any other purpose whatsoever as may be decided by the Board of Directors. The sittings fees payable shall be subject to applicable tax deduction at source.

In addition to the above, you will be entitled to reimbursement of all expenses for participation in the Board and other meetings.

General

All the terms as mentioned above including your appointment, remuneration, professional conduct, role and functions, duties and evaluation shall be governed by the Companies Act, 2013 and Rules made thereunder and Corporate Governance requirements under the Listing Agreement, as amended from time to time.

This letter and any non-contractual obligations arising out of or in connection with this letter are governed by, and shall be construed in accordance with the laws of India and subject to the exclusive jurisdiction of the Courts of India.

Kindly acknowledge the same.

Thanking you,

Yours faithfully,

For, Aarvee Denims and Exports Limited

Ashish V. Shah
Managing Director

Agree and Accept

I have read and understood the terms of my appointment as an Independent Director of the Company as contained in this letter and I hereby affirmed my acceptance to the same.

Name of the Director:

Date:

Sign:

Place:

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