

# RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED

[Date]

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## **Sub: Terms & conditions of appointment as a Non-Executive Independent Director of the Company**

In compliance with the provisions of the section 149 of the Companies Act 2013, this letter sets out the main terms and conditions of the appointment as follows:

### **1. Term of appointment:**

- 1.1. In accordance with the provisions of Section 149 and 152 and other applicable provisions of the Companies Act, 2013 ('Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014 ('Rules'), you are appointed as a Non-Executive Independent Director on the Board of Directors of the Company for a period \_\_\_\_\_.
- 1.2. As an Independent Director, you will not be liable to retire by rotation.
- 1.3. The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013. The Company is at liberty to disengage Non-Executive Independent Director earlier subject to compliance of relevant provisions of Companies Act, 2013.
- 1.4. You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice on the Board.

### **2. Board Committees**

- 2.1 You may be nominated on one or more committees of the Board. Your appointment on such Committee(s) will be subject to the applicable regulations. The Board may reconstitute the composition of any/all Committees, from time to time, and any such change shall be promptly communicated to you.

### **3. Role, Duties & Liabilities**

- 3.1 The duties and liabilities that come with your appointment would be as per the provisions of Companies Act, 2013 (including Rules made there under read with Schedule IV) and other laws applicable to the Company, Company's policies etc.

- 3.2 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.
- 3.3 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.
- 3.4 You will adhere to the following duties of directors, which are more specifically stipulated in Section 166 of the Companies Act, 2013–
- a. To act in accordance with the Articles of the Company subject to the provisions of this Act:
  - b. 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:
  - c. To exercise the duties with due and reasonable care, skill and diligence and shall exercise independent judgement:
  - d. Not to involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company:
  - e. Not to achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company and
  - f. Not to assign director's office and any assignment so made shall be void.

#### **4. Fees**

- 4.1 You shall be entitled to payment of fees for attending the Board and Committee meetings as decided by the Board from time to time in Compliance with applicable laws.
- 4.2 The present sitting fees is \_\_\_\_\_ per meeting of the Board and/or Committee, which can be amended by the Board from time to time.

#### **5. Relatives**

You shall ensure that none of your relatives-

- i) is holding any security of or interest in the Company, its holding, subsidiary or associate Company during the two immediately preceding financial years or during the current financial year:  
Provided that the relative may hold security or interest in the company of face value not exceeding fifty lakh rupees or two percent of the paid-up capital of the Company, its holding, subsidiary or associate Company or such higher sum as may be prescribed;
- ii) is indebted to the company, its holding, subsidiary or associate Company or their promoters, or directors, in excess of an amount of fifty lakhs rupees, at any time

during the two immediately preceding financial years or during the current financial year;

- iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for an amount of fifty lakhs rupees, at any time during the two immediately preceding financial years or during the current financial year; or
- iv) has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);]

A list of relatives as prescribed under the Companies Act, 2013 is enclosed as **Annexure I**.

## **7. Code of Conduct & other compliances**

- 7.1 During the appointment, you will comply with the Code for Independent Directors as per Schedule IV of the Companies Act, 2013, and such other requirements as the Board of Directors may from time to time specify.
- 7.2 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) or any other applicable provisions of the Companies Act, 2013, as may be amended from time to time.

## **8. Directors' & Officers' Insurance**

- 8.1 The Company has in place Directors' and Officers' Liability Policy.

## **10. Relationships**

- 10.1 The appointment constitutes neither a contract for services nor a service contract.
- 10.2 There will be no relationship of employer and employee as a consequence of appointment as a director of the Company.

## **11. Conflict of Interest:**

- 11.1 You are requested to declare any business interest in the other Company in the form of directorships, appointments and interest to the Board in writing in the form MBP-1, from time to time.
- 11.2 In the event that your circumstances seem likely to change and might give rise to conflict of interest or when applicable, circumstances that might lead the Board to reverse its judgment that you are independent, this should be disclosed to the Board of Directors of the Company

**12. Publication of the letter of appointment**

12.1 In line with the provisions of the Companies Act, 2013, the terms and conditions of appointment shall also be posted on the company's website.

**13. General:**

13.1 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 the parties agree to submit to the exclusive jurisdiction of the courts of Delhi, India.

Please confirm your agreement to the above by signing and returning the enclosed duplicate copy of this Letter.

**Yours Sincerely,  
For and on behalf of Ramagundam Fertilizers and Chemicals Limited**

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Agreed and Accepted

\_\_\_\_\_  
**(Name of Independent Director)**

**DIN:** \_\_\_\_\_

**Date:**