

## **Letter of Appointment**

**To,**

**Mr. Ashwani Dua**  
36/55, West Punjabi Bagh,  
New Delhi-110026

**September 10, 2014**

**Sub: Appointment and Fixation of Tenure as Independent Non-Executive Director of the Company**

**Dear Sir,**

We are pleased to inform you that the member of the company vide Ordinary Resolution by way of E-voting as well as manual Ballot voting passed in the 21<sup>st</sup> Annual General Meeting held on September 9, 2014 have fixed the tenure of your appointment as an Independent Non-Executive Director of the company for a term of five consecutive years from the date of this Annual General Meeting.

This letter contains terms of appointment in accordance with the Companies Act, 2013 and other provision as required, for your kind perusal and reference.

### **TERMS OF APPOINTMENT**

#### **Appointment**

In accordance with the provisions of the Companies Act, 2013 and other applicable laws, you will serve as an Independent Director of the Board for a term of five consecutive years from the date of this Annual General Meeting.

#### **Role on the Board**

You are expected to provide your expertise and experience inter alia in the field of strategic planning, management, sales, marketing and corporate governance including Board best practices, in the functioning of the Board and the committees of the Board you may be nominated. In addition to the routine board meetings you should allow time for committee meetings, preparatory work and travel, and ensure that you are in a position to make the 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 specific responsibilities.

#### **Duties, Responsibilities and Liabilities**

The board's role is to effectively represent and promote the interests of company with a view to adding long-term value to the Company's shares. All directors are expected to take decisions objectively in the interests of the Company. The board as a whole is collectively responsible for the success of the Company.

As a Non-Executive Director you have the same general legal responsibilities to the Company as any other Director such as you shall:

- Exercise your duties with due and reasonable care, skill and diligence and shall exercise independent judgement;
- 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;
- Not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates and if found guilty of making any undue gain, you shall be liable to the amount equal to that gain to the company;
- Not assign your office.

Further as an Independent Non-Executive Director, you shall:

- Undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the Company;
- Strive to attend all meetings of the Board of Directors/Committees thereof and general meetings of the Company;
- Participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- Where you have concerns about the running of the company or a proposed action, ensure that these are addressed to the Board and, to the extent that they are not resolved, insist that your concerns are recorded in the minutes of the Board meeting.
- Keep yourself well informed about the company and the external environment in which it operated;
- Not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
- Pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- Ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interest of a person who uses such mechanism are not prejudicially affected on account of such use;
- Report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- Acting within your authority, assist in protecting the legitimate interests of the company, stakeholders and its employees;

The role, function and duties expected from an independent director are set out in Schedule IV of the Companies Act, 2013. Additionally, Independent directors are also bound by the duties imposed on the Board of Directors under section 166 of the Companies Act, 2013 and also abide by the company code of Conduct.

As an Independent director, you shall be liable for acts of omission or commissions by the Company which is occurred with your knowledge, attributable through Board process and with your consent or connivance or where you did not act diligently.

### **Committee Involvement**

Currently, the Board has four committees: Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. The Board is responsible for constituting, assigning, co-opting and fixing terms of service for committee members. The chairperson of the Board, in consultation with the company secretary and the committee chairperson, determines the frequency and duration of the committee meetings. Normally, Audit committees meet four times a year and other Committee meets at least once in a year. Recommendations of the committees are submitted to the full Board for approval. The quorum for meetings is either two members of the committee or one-third of the members of the committee, whichever is higher.

You have been nominated to serve on the following committees:

#### **A. Audit Committee**

The Audit Committee has the power and authority to monitor and provide effective supervision of the financial reporting processes, personnel associated with such processes including external and internal auditors and officers of the Company, and the financial controls and systems to ensure integrity of the financial condition of the Company and accurate and timely disclosures.

#### **B. Nomination and Remuneration Committee**

The purpose of the Nomination and Remuneration Committee is to identify persons who are qualified to become Directors and senior management & recommend to the Board their appointment and removal and carry out evaluation of every director's performance and to ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and Senior Management.

#### **C. Corporate Social Responsibility Committee**

The purpose of the CSR committee is to formulate and recommend to the Board, a Corporate Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013, and to recommend the amount of expenditure to be incurred on the various activities, and to monitor the Corporate Social Responsibility Policy of the Company from time to time.

#### **D. Stakeholders Relationship Committee**

The purpose of the Stakeholders Relationship Committee is:

- To approve or deal with applications for transfer, transmission, transposition and mutation of share certificates including duplicate, split, sub-division or consolidation of certificates and to deal with all related matters.
- To look into and redress Shareholders / investors grievances relating to:
  - Transfer of shares;
  - Non-receipt of declared dividends;
  - Non-receipt of annual reports;
  - All such complaints directly concerning the Shareholders / investors as stakeholders of the Company; and
  - Any such matters that may be considered necessary in relation to Shareholders and investors of the Company

In the future, Board may ask you to serve more board committees.

#### **Remuneration/Sitting Fees**

You are entitled to receive sitting fees for each Board Meeting/ Committee as per Company policy.

The Company will reimburse you for all direct and indirect expenses such as toll calls, accommodation and travelling expenses, reasonably and properly incurred and documented.

## **Independence**

The Board of Directors of the Company inter alia has given due consideration to your declaration of being qualified as 'independent' in accordance with the provisions of the Companies Act, 2013 and the Listing Agreement with the 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 practicable

## **Board and Individual Director Evaluation Processes**

The performances of the board as a whole, its committees and individual directors are evaluated annually. If, in the meantime, there are any matters which cause you concern about your role you should discuss them with the Chairman as soon as appropriate.

## **Timing and Location of Board Meetings**

The Board & Committee normally meets on the occasion required and for this Company will inform you at least seven working days in advance and in case of urgency you will be informed by email or phone. The duration of each meeting depends on the Agenda.

## **Prohibition on Insider Trading**

You will follow the KRBL Limited Vigil Mechanism (Whistle Blower 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 securely. You should not make any statements that might risk a breach of these requirements without prior clearance from the Chairman.

## **Outside Interests Including Directorships**

It is accepted and acknowledged that you may have business interests other than those of the Company. Please inform the Company Secretary as soon as possible after getting your interests as a shareholder, director, officer or trustee of other companies or entities. So that Company Secretary keeps updated record relating to Director's Interest.

Any director is, while holding office, at liberty to accept other board appointments so long as the appointment is not in conflict with the Company's business and does not materially interfere with their performance as a director of the Company. All other appointments must first be discussed with the Chairman before being accepted.

## **Induction and Development Processes**

As soon as practicable the Company will provide a comprehensive induction programme aimed at broadening your understanding of the Company, its business, and the environment and markets in which it operates. As part of the programme you will meet key management and receive a folder of essential board and company information.

All directors are expected to remain current on how to best discharge their responsibilities as directors of the Company including keeping abreast of changes and trends in economic, political, social, financial and legal climates and governance practices.

### **Access to Independent Professional Advice**

All directors are entitled to obtain independent professional advice relating to the affairs of the Company or to their responsibilities as directors. If, in your own case, you consider such advice is necessary, you should first discuss it with the Chairman. Subject to the prior approval of the Chairman, the cost of the advice will be reimbursed by the Company but you should ensure, so far as is practicable, that it is reasonable.

### **Confidentiality**

All information acquired during your appointment is 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 or with prior permission from the Chairman.

### **Publication of the Letter of Appointment**

In line with provisions of Schedule IV of the Code for Independent Directors and the Companies Act, 2013, the Company will make public part of the Letter by way of posting it on the Company's Website.

Please confirm your acceptance to the above by signing and returning to me the enclosed duplicate of this letter

We look forward to your association with us.

Yours sincerely,  
For **KRBL Limited**

**Sd/-**

**Anoop Kumar Gupta**  
**Joint Managing Director**  
**DIN: 00030160**

**Encs**

I have read and agree to the above terms regarding my appointment as an Independent Non-Executive Director of **KRBL Limited**

**I accept**

**Sd/-**

**Ashwani Dua**  
**Independent Non Executive Director**  
**DIN: 01097653**

**Date:-** September 10, 2014