

Date: .....

To,

.....  
.....  
.....

**Sub: Appointment as an Independent Director of Tega Industries Limited**

Dear Sir/Madam,

We are pleased to inform you that upon the recommendation of the Nomination and Remuneration Committee and the Board of Directors ('the Board'), the Shareholders at the General Meeting dated ..... of Tega Industries Limited ('the Company') have approved your appointment as a Non Executive Director (category – Independent) of the Company.

Your responsibility as an Independent Director will be primarily to advise and provide strategic guidance to the Management of the Company.

This letter sets out the terms and conditions of your appointment.

**1. Appointment**

Your appointment is in accordance with the provisions of the Companies Act, 2013 read with Schedule IV of the Act and other applicable provisions of SEBI (LODR) Regulations, 2015 as amended from time to time. You will serve as a Non Executive Director (category-Independent) of the Board effective from ..... for a period of ..... years.

Your appointment is also subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013 and of SEBI (LODR) Regulations, 2015 as amended from time to time.

The term Independent Director should be construed as defined under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 as amended from time to time.

**2. Board Committees**

2.1. As advised by the Board, during the tenure of office, you may be required to serve on one or more of the committees of the Board established by the Company. Upon your appointment to any one or more Committees, you will be provided with the appropriate Committee charter which sets out the functions of that Committee.

2.2. Currently, the Board has five committees: Audit Committee, Nomination and Remuneration Committee (NRC), Stakeholders Relationship Committee (SRC), Risk Management Committee (RMC) and Corporate Social Responsibility (CSR) Committee.

Recommendations of the committees are submitted to the Board for approval.

### **3. Training of the Board**

Every new independent director of the Board attends an orientation program. Presentations are made by executive directors / senior managerial personnel. The presentations cover an overview of our strategy and operations to familiarize the new inductees about the strategy, operations and other areas of the Company.

The orientation program will cover the following topics-

- Company's strategy
- Operations
- Markets
- Organization structure
- Finance
- Human Resources
- Technology
- Facilities
- Risk management

### **4. Professional Conduct**

As an Independent director, you shall:

(a) uphold ethical standards of integrity and probity; (b) act objectively and constructively while exercising your duties; (c) exercise your responsibilities in a bona fide manner in the interest of the Company; (d) devote sufficient time and attention to your professional obligations for informed and balanced decision-making; (e) not abuse your position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person; (f) refrain from any action that could lead to a loss of your independence; (g) ensure that if circumstances arise under which you may lose your independence, you will immediately inform the Board accordingly; (h) assist the Company in implementing the best corporate governance practices; and (i) not allow any extraneous considerations that will vitiate your 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.

## **5. Roles and functions**

As an Independent Director, you shall:

(1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct; (2) bring an objective view in the evaluation of the performance of board and management; (3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance; (4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible; (5) safeguard the interests of all stakeholders, particularly the minority shareholders; (6) balance the conflicting interest of the stakeholders; (7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management; (8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

## **6. Duties**

As an Independent director, you shall:

(1) undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the company; (2) 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; (3) strive to attend all meetings of the Board of Directors and of the Board committees of which you are a member; (4) participate constructively and actively in the committees of the Board in which you are a chairperson or member; (5) strive to attend the general meetings of the company; (6) where you have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that your concerns are recorded in the minutes of the Board meeting; (7) keep yourself well informed about the company and the external environment in which it operates; (8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board; (9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure yourself that the same are in the interest of the company; (10) ascertain and ensure that the company has an 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; (11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy; (12) within your authority, assist in protecting the legitimate interests of the company, shareholders and its employees; (13) 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.

## **7. Status of Appointment**

You will not be an employee of the Company and this letter shall not constitute a contract of employment.

## 8. Compensation

We are pleased to compensate you for your service to the Company in the following manner:

- a) Sitting Fees of Rs. .... per meeting of the Board of Directors of the Company and Rs. .... per meeting of the Committees except CSR Committee or as may be decided by the Board from time to time.
- b) Commission on Profits: Upto a maximum of Rs. .... lacs per annum to be paid on an interim basis as per applicable regulatory/statutory approvals. The above amounts will be subject to deduction of tax at source. However, this shall be subject to limits prescribed under Section 197 of the Companies Act, 2013.

## 9. Expense Reimbursements

In connection with your service as an Independent Director, the Company will reimburse reasonable out-of-pocket expenses, including transportation, accommodation, business class airfare for all trips made for the Company's purpose.

## 10. Other Professional Activities

We recognize that you may maintain active relationships with other companies and may even personally invest in other entities but we would request you not to enter into a similar arrangement with another entity in the same business space. We hope that your other commitments and board positions will not present a conflict of interest with your service to the Company.

## 11. Evaluation

The Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis.

## 12. Confidentiality

You agree that you will keep all proprietary and confidential information obtained through your service to the Company confidential and that you will not use such information for the benefit of anyone except the Company without the Company's prior written consent. The Company will be entitled to pursue all forms of damages or equitable relief against you in the event such confidentiality or imposed restriction is breached or threatened to be breached.

Trading window closure - You are ***prohibited*** from dealing in the Company's shares during the period when the trading window is closed.

Further, directors, being designated officers of the Company for the purpose of insider trading guidelines, are to pre-clear all trades (buy/sell/gift) from the Company Secretary/the Compliance Officer of the Company.

You are required to comply with the applicable insider trading laws and regulations and also required to comply with the Tega's *Code of Conduct and Ethics*.

**13. Disclosure of Interest**

As per the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, as amended from time to time, the Company must include in its Annual Accounts a note of any material interest that a Director may have in any transaction or arrangement that the Company has entered into.

Such interest should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record his interest appropriately and our records are updated. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.

**14. Insurance**

The Company has Directors’ and Officers’ liability insurance and it is intended that it will assume and maintain such cover for the full term of your appointment.

**15. Termination**

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.

**16. Governing Law**

This appointment letter is governed by and will be interpreted in accordance with Indian law and your engagement shall be subject to the jurisdiction of the Indian courts.

We are very enthusiastic about working with you and expanding our relationship. If this letter accurately reflects our arrangement, please sign and return the duplicate copy of this letter as a token of acceptance of the above.

Thanking you.

Yours sincerely,

For **TEGA INDUSTRIES LIMITED**

.....  
**Chairman/Managing Director (DIN: .....)**

The terms and conditions specified in this offer of appointment as Independent Director are acceptable to me.

**Signature:**

**Name:** .....

**DIN:** .....

**Date:** .....

**Place:** .....