

**Date:**

**Name of the Director**

(DIN :)

Address:

Mobile:

Email:

Respected Sir / Madam,

**Sub: Appointment as an Independent Director**

**Ref: Board Resolution passed on \_\_\_\_\_ and AGM / EGM held on \_\_\_\_\_**

We refer to discussion with you in this regard.

We are pleased to inform you that the Board of Directors of the Company at the Board Meeting held on \_\_\_\_\_ and at the EGM of the Company on \_\_\_\_\_ have appointed your goodself as an Independent Director of the Company for a period of 5 (five) consecutive years w.e.f \_\_\_\_\_.

The terms and conditions of your appointment are as follows -

1. Term of Appointment: 5 (five) Years w.e.f. \_\_\_\_\_ (Date of Board Resolution)

2. Role and functions:

Your role and functions shall be as per the Code for Independent Directors (Schedule IV) pursuant to Section 149 (8) of the Companies Act, 2013, which are reproduced hereunder:

a) 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;

b) bringing an objective view in the evaluation of the performance of board and management;

c) scrutinising the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;

d) Satisfying oneself on the integrity of financial information and that financial controls

and the systems of risk management are robust and defensible;

e) safeguarding the interests of all stakeholders, particularly the minority shareholders;

f) balancing the conflicting interest of the stakeholders;

g) determining 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;

h) moderating and arbitrating in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

3. The Board expects a time commitment from your goodself which would include the following:

- a) You shall strive to attend all meetings of the Board of Directors and of the Board committees of which you are a Member;
- b) You shall participate constructively and actively in the committees of the Board in which you are or will be chairman or member;
- c) You shall strive to attend the general meetings of the company.
- d) You shall strive to attend the separate meetings of Independent Directors pursuant to Schedule IV of Companies Act, 2013

You shall be intimated in advance of the date, time and venue of the meetings of the Board or Committee thereof in which you will be a member and the Annual General Meeting and general meetings, if any, for attending the said meetings.

4. While performing your duties as an Independent Director, the Board expects you to:

- a. undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the company;
- b. 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;
- c. ensure 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 their concerns are recorded in the minutes of the Board meeting;
- d. keep yourself well informed about the company and the external environment in which it operates;
- e. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- f. 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;

- g. 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;
- h. report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- i. act within authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- j. 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;
- k. constructively challenge and contribute to the development of overall strategy of the Company.

5. The Independent Directors are expected to:

- a) abide by the Code for Independent Directors as specified under Schedule IV to the Companies Act, 2013;
- b) abide by Code of Ethics for Directors and Senior Management formulated and approved by the Board, if any;
- c) Follow the below mentioned professional conduct as an Independent Director of the Company:
  - i. uphold ethical standards of integrity and probity;
  - ii. act objectively and constructively while exercising your duties;
  - iii. exercise responsibilities in a *bona fide* manner in the interest of the company;
  - iv. devote sufficient time and attention to your professional obligations for informed and balanced decision making;
  - v. where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
  - vi. assist the company in implementing the best corporate governance practices.

6. List of actions prohibited:

You shall not:

- a) disclose the information acquired during your appointment as an Independent Director which are 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 and with prior clearance from the Board;

b) Undertake any action that would lead to loss of independence;

c) 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 associate person;

d) Allow any extraneous considerations that will vitiate 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.

e) Participate in a discussion for a contract or arrangement or a proposed contract or arrangement with a body corporate or a firm or other entity, in case you are interested, directly or indirectly, inter-alia, due to following reasons and shall bring the same to the notice of the Board forthwith –

- You, either individually or together with other directors, hold more than 2% shareholding of that body corporate or are a Promoter, Manager, Chief Executive Officer of that body corporate;
- You are a partner of that firm or owner or member of that entity.

#### 7. Remuneration:

a) You shall be paid sitting fees for attending the meetings of the Board or any Committee thereof or for any other purpose whatsoever as may be decided by the Board from time to time;

b) You shall be reimbursed the expenses for participation in the Board and other General meetings;

c) Pursuant to Section 197(4), you shall be entitled to professional fees if the services rendered to the Company by your goodself are of a professional nature and you have the requisite qualification for the practice of the profession. The payment of fees shall be subject to the approval of Nomination and Remuneration Committee of the Board of Directors.

#### 8. Discontinuation:

- a) Your Directorship on the Board of the Company shall terminate or cease in accordance with law or in accordance with provisions contained in the Articles (as may be amended from time to time). Apart from the grounds of termination as specified in the Act or Articles, your Directorship may be terminated for violation of any provision of the Code of Conduct of the Company, if any;

- b) You may resign from the Directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation. The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by you in the notice, whichever is later;
- c) If at any stage during the term of your Directorship, there is a change that may affect your status as an Independent Director as envisaged in Section 149(6) of the Act, you agree to promptly submit your resignation to the Company with effect from the date of such change. You shall also promptly submit your resignation to the Company as and when the Board of Directors by majority pass a resolution to that effect;
- d) Upon such termination or resignation for any reason or on not having been re-appointed by the shareholders for any reason, you shall not be entitled to any damages or compensation for loss of office or otherwise and no fee or remuneration or commission, as the case may be, will be payable to you in respect of any unexpired portion of the term of your appointment.

#### 9. Evaluation:

The performance of the Board, its Committees and individual Directors will be evaluated in accordance with Company's Policy and framework for Board evaluation.

The results of the Performance Evaluation will be taken into account at the time of considering your re-appointment on the Board. The criteria of evaluation will be determined by the Nomination and Remuneration Committee. However, subject to applicable laws, the actual evaluation process will be kept confidential and will be used constructively to improve Board's performance and effectiveness.

10. The Company has taken Directors' and Officers' Liability Insurance Policy to safeguard and protect the interests of its Directors and Officers from any contingent liabilities as a good corporate governance measure. The current limit is Rs. 10,00,00,000/- (Rupees Ten Crore Only). The said Policy is valid for a period of one year i.e. from February 05, 2016 to February 04, 2017 and is renewed from time to time.

#### 11. Others

You shall give annual declaration as required under the provisions of Section 149(7) of the Companies Act, 2013 and the rules made thereunder. Besides, you shall provide following disclosures, if not provided earlier, as required under the Companies Act, 2013 and Rules framed thereunder:

- a. Consent in writing to act as Director in Form DIR-2;
- b. Intimation in Form DIR-8 to the effect that you are not disqualified under Section 164(2) of the Companies Act, 2013;

- c. Disclosure of interest or concern, directly or indirectly, in any company, body corporate, firms or other association of individuals in Form MBP-1 pursuant to Section 184(1) of the Companies Act, 2013 and the Rules thereunder at the first Board Meeting in which you participate as a Director and thereafter at the first Board Meeting in every financial year.

The appointment letter is issued based on the relevant provisions under the Companies Act, 2013, Rules framed thereunder and other Regulations prevalent at the time of appointment. Any change in the above shall automatically entail changes in the terms and conditions.

We look forward for your valuable contribution and guidance to the growth of the Company.

Thanking you,

Yours faithfully,

**For Bharat Road Network Limited**

**Authorised Signatory**

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**ACKNOWLEDGEMENT**

I hereby accept my appointment as an Independent Director on the Board of **Bharat Road Network Limited**.

I have read and agree to the above terms regarding my appointment as an Independent Director of **Bharat Road Network Limited** and accord my consent to the same.

I am also enclosing herewith my brief profile, PAN Card, ID Proof and statutory declarations as stated above.

**(Name of the Director)**  
**Independent Director**

**DIN:**

**Date:**

**Place:**

Enclosed:

1. Schedule IV of the Companies Act, 2013
2. Directors & Officers Liability Policy
3. Composition of Board of Directors