

## **Fiem Industries Limited**

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CIN: L36999DL1989PLC034928

### **LETTER OF APPOINTMENT FOR INDEPENDENT DIRECTORS** (With Terms and Conditions applicable to Appointment of all Independent Directors)

**Date:** \_\_\_\_\_

To  
**Name:** \_\_\_\_\_  
Add: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Dear Sir/ Madam,**

#### **Sub: Appointment as Independent Director**

This is to inform you that you have been appointed as Non-Executive Independent Director on the Board of the Company. The information and terms & conditions related to your appointment are as under:

#### **Appointment Terms**

1. Appointment information:

|                            |   |                                   |
|----------------------------|---|-----------------------------------|
| Appointment by             | : | Board of Directors / Shareholders |
| Appointment effective from | : |                                   |
| Period of Tenure           | : |                                   |

2. Your re-appointment as a Non-Executive Independent Director on the Board of Directors of the Company is subject to the provisions of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (referred as Listing Regulation).
3. If appointment is by Board of Directors as Additional Director, then continuance of directorship, beyond the next Annual General Meeting is subject to appointment by the members of the Company in the said Annual General Meeting.
4. In terms of provisions of section 149(13) of the Companies Act, 2013 directorship of Non-Executive Independent Director is not subject to retirement by rotation.
5. Kindly take note that continuance of independent directorship is subject to fulfilment of certain parameters of independence as defined in section 149 of the Companies Act, 2013 and Listing Regulation.
6. Upon termination of directorship, by way of resignation or otherwise, No Independent Director is entitled for any compensation for loss of office.

## **Expectation of Board**

7. As an Independent Director you are expected to bring objectivity and independent view to the Board's discussions and to help provide the Board with effective leadership in relation to the Company's strategy, performance and risk management as well as ensuring high standards of financial probity and corporate governance. The Board generally meets four to five times in a year. Further, separate meeting(s) of Independent Directors also held at least once in a financial year. Additionally, you may be appointed member / chairman of one or more Board Committees, like Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility and Risk Management Committee. The Committee meetings takes place as and when required. You are expected to attend all such meetings and Shareholders meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively.

## **Role and Duties**

8. Your role and duties will be those normally required of an Independent Director under the Companies Act, 2013 and the Listing Regulation. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are summarised as under:
  - (i) You shall act in accordance with the Company's Articles of Association.
  - (ii) You shall 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 interest of the Company.
  - (iii) You shall discharge your duties with due and reasonable care, skill and diligence.
  - (iv) You shall not involve yourself 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.
  - (v) You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
  - (vi) You shall not assign your office as Director and any assignments so made shall be void.

In addition to the above requirements, the Board also expect you to perform following functions:

- (i) You should constructively challenge and help develop proposals on strategy for growth of the Company.
- (ii) You should evaluate the performance of management.
- (iii) You should satisfy yourself on the integrity of financial information and that financial controls and systems of risk management are robust and defensible.
- (iv) You should advise for determining appropriate levels of remuneration of Executive Directors and have a prime role in appointing, and where necessary, removing Executive Directors and in succession planning;
- (v) You should advise the processes for accurately reporting on performance and the financial position of Company;

### **Status of Appointment / remuneration**

9. You will not be an employee of the Company and this letter shall not constitute a contract of employment.
10. You will be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board from time to time.
11. You will have no entitlement for any bonus or employee stock option scheme (presently company don't have any employee stock option scheme).
12. In addition to the sitting fee, the Company will, for the period of your appointment, reimburse you for all travel, hotel and other incidental expenses incurred by you in the performance of your role and duties.

### **Independent Professional Advice**

13. There may be occasions when you consider that you need professional advice in furtherance of your duties as a Director and it will be appropriate for you to consult independent advisers at the Company's expense, subject to prior approval by the Chairman.

### **Insurance**

14. Company has taken Directors' & Officers' liability insurance (D&O Insurance Policy) w.e.f. December 15, 2021, which is being renewed annually. This Policy also covers all Independent Directors, subject to terms, conditions and exclusions contained therein. You can obtain a copy of the same for your reference.

### **Conflict of Interest**

15. It is accepted that you may have business interests other than those of the Company. You are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment and subsequently as and when change occurs.
16. In the event that your circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgement that you are independent, this should be disclosed to the Chairman or Company Secretary, immediately.

### **Evaluation**

17. The Board of Directors will carry out an evaluation of the performance of the Board as a whole, Board Committees and all Directors individually on an annual basis. Your re-appointment, if any on the Board shall be subject to the outcome of the yearly evaluation process.

### **Confidentiality**

18. All information acquired during your association with the Company (other than in public domain) are strictly confidential and should not be disclosed or divulged to any other person, either during your appointment or afterwards unless required by law or by the rules of any stock exchange or regulatory body.

## Code of Conduct

19. During your tenure as Director, you are required to comply with the regulations as contained in Schedule IV under Companies Act, 2013 (Code for Independent Directors) and the following codes of conduct of the Company:
- (i) Code of Conduct for Board Members and Senior Management;
  - (ii) Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons & Their Immediate Relatives (Code of Conduct-PIT);
  - (iii) Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (Code of Fair Disclosure).

## Publication of Letter of Appointment

20. In terms of the provisions of Clause IV sub-clause 6 Schedule IV, under Companies Act, 2013, the Company has made public these terms and conditions of appointment and also displayed at the Company's website.

## Membership of Committees

21. The Board of Directors may appoint you as Member / Chairman of one or more of its Committees which will be covered in a separate communication setting out the relevant terms of reference.

## Resignation / Termination

22. 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. Further, in terms of provisions of the Companies Act, 2013, you may also file a copy of your resignation letter with the Registrar of Companies.

## General

23. This letter is governed by and will be interpreted in accordance with Indian laws and will be subject to jurisdiction of the Indian courts.
24. Kindly confirm the acceptance of this letter.

**Yours sincerely**

\_\_\_\_\_  
**Chairman & Managing Director**  
**Fiem Industries Limited**

*I accept the Appointment terms as Independent Director and  
acknowledge the Letter.*

**Sign:** \_\_\_\_\_  
**Name:** \_\_\_\_\_  
**DIN:** \_\_\_\_\_  
**Date:** \_\_\_\_\_