



**DRAFT LETTER OF APPOINTMENT FOR INDEPENDENT DIRECTORS**

Date:

To

Mr./Mrs. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Dear Sir

**SUB: APPOINTMENT AS INDEPENDENT NON EXECUTIVE DIRECTOR**

On behalf of all the Board Members of Peacock Industries Limited (hereinafter referred to as the "Company"), I would like to express my gratitude to appoint you as Independent director on the Board of Directors (hereinafter referred as "Board") on the recommendation of the Nomination Committee of the Company.

This letter of appointment sets out the terms and conditions of your appointment which are as follows:

**1. APPOINTMENT:**

- 1.1 You will be appointed as a Non executive Independent Director on the Board of Directors of the Company for a period of \_\_\_\_\_ years with effect from \_\_\_\_\_ to \_\_\_\_\_. Your appointment is subjected to the applicable provisions of the Companies Act, 2013, as amended from time to time.
- 1.2 The term "Independent Director" should be construed as defined under the Companies Act, 2013 and the listing agreement.
- 1.3 The Company has adopted the provisions with respect to appointment and tenure of Independent Directors as are consistent with the Companies Act, 2013 and the listing agreement. The Company is at liberty to disengage a Non-Executive Independent Director earlier subject to compliance of the relevant provisions of the Companies Act, 2013 and the listing agreement.

## 2. **Role on Board**

The role of Board is to effectively represent and promote the interests of shareholders with a view in adding long term value to the Company's Shares. Your role on Board directs and supervises the management of the business and Company's affairs including, inter alia the following:

- 2.1 ensuring that the Company's goals are clearly established and that strategies are in place for achieving them;
- 2.2 establishing policies for strengthening the performance of the Company ensuring that management is proactively seeking to build the business through innovation, creativity, technology, new products and development of business capital;
- 2.3 monitoring and evaluating the performance of the management;
- 2.4 analyzing on the initiatives required to protect the company's Financial Position and the ability to meet its debts and other obligations when falls due ;
- 2.5 ensuring that the company's financial statements are true and fair and otherwise and in conformity with the law;
- 2.6 ensuring that the company's adhere to ethical standards and corporate behavior;
- 2.7 ensuring that the company has appropriate risk management policy/regulatory compliances in place.

## 3. **Committee:**

Board Committees are formed when it is efficient or necessary to facilitate effective decision making. The standing committees of Board are Audit, Nomination & Remuneration Committee, and Stakeholder Relationship Committee.

The Board of Directors (the Board) may invite you for being appointed on one or more of the existing Board Committees or any Committee(s) that may be set up in the future. Your appointment on such Committee(s) will be subject to the applicable legal requirements.

#### 4. Fiduciary Duties

Your role and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 and the listing agreement. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and inter alia are as under:

- 4.1 You shall act in accordance with the Company's Articles of Association.
- 4.2 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 interests of the Company.
- 4.3 You shall discharge your duties with due and reasonable care, skill and diligence.
- 4.4 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 interests of the Company/ \_\_\_\_\_ Group or bring discredit to it. Any situation that creates a conflict of interest between personal interests and the Company and its stakeholders' interests, must be avoided at all costs. Please refer to clause 12 for full explanation on conflict of interest.
- 4.5 You will be expected to perform your duties, whether statutory or fiduciary in faithful, efficient and diligent manner. You will have all the usual duties of an independent director under Company Law and applicable Listing Agreement with NSE and BSE.
- 4.6 You shall not assign your office as Director and any assignments so made shall be void.
- 4.7 In addition to the above requirements , you shall abide by the Code of Independent Director as laid down under Schedule IV of the Companies Act, 2013, and clause 49 of listing agreement or any amendments thereto. A copy of the Schedule is attached for ready reference.

There are certain roles, functions duties prescribed for all Independent Directors, which are listed in the 'Code for Independent Directors' as outlined in Schedule IV to the Companies Act, 2013. You shall abide by the said 'Code of Conduct for Independent Directors' as amended from time to time to the extent relevant and applicable to your role.

## **5. Status of Appointment and Remuneration**

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.

Further, you will also be entitled to receive commission as may be approved by the Board and the Shareholders from time to time.

Please note that this is a contract for services and not a contract of employment.

## **6. Commitment**

As an Independent Director, you are expected to bring objectivity and independence in the view of Board's discussions and provide help to 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 Audit Committee also meets at least four times in a year. Besides, there are other Committee meetings Nomination & Remuneration Committee, Stakeholder Relationship Committee and Independent Directors Committee Meeting. You will be expected to attend Meetings of Board ,Committee Meetings and Shareholders meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively.

## **7. Code of Conduct, Functions and Duties**

You will be expected to perform your duties, whether statutory or fiduciary in faithful, efficient and diligent manner. You will have all the usual duties of an independent director under Company Law and applicable provisions of Listing Agreement with NSE and BSE.

In addition to the above requirements, you shall abide by the Code of Independent Directors as laid down under Schedule IV of the Companies Act, 2013, and clause 49 of listing agreement or any amendments thereto. A copy of the Schedule is attached for your ready reference.

**8. Performance Evaluation**

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

Any matters related to your concern about your role, you are free to discuss it with the Chairman of the Board as soon as appropriate.

**9. Outside Interests Including directorships**

It is accepted and acknowledged that you have business interests in other companies.

You are therefore requested to inform the Company Secretary as soon as possible about your concern/interest in any company/body corporate or any other entities as Director/shareholder/officer or trustee of other companies as mentioned under sub-section (1) of section 184, to enter your details in the Company's Register of Directorships Holding which is placed in each meeting.

Please ensure that the Company is kept informed about the changes in your interests/directorships so that the register maintained is updated.

**10. Liability**

As an Independent Director you will be liable only in respect of such acts which had occurred with your knowledge, attributable through Board processes, and with your consent or connivance or where you had not acted diligently.

**11. Governing Law**

This letter of appointment 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.

## **12. Conflict of Interest**

It is accepted and acknowledged that you may have business interests, memberships other than those of the Company. As a condition to your appointment commencing, 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.

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 judgment that you are independent, this should be disclosed to both the Chairman and the Secretary.

## **13. Confidentiality**

All information acquired during your tenure of directorship is confidential and should not be disclosed, either during your tenure or during termination (by whatever means) to the third parties without prior clearance from the Chairman, unless required by law or by the rules of any stock exchange or regulatory body.

In the latter case, you would be required to suitably inform the Chairman of such an event or disclosure. You should direct any media queries or approaches to the appropriate spokesperson within the Company. On reasonable request, you shall surrender any documents and other materials made available to you by the Company.

## **14. Dealings in shares**

You are required to comply with the Company's Insider Trading Code of Conduct. This code inter alia prohibits the Directors from dealing in the Company's shares during the period when the trading window is closed.

You are also required to comply with the applicable SEBI insider trading laws and regulations, all relevant regulatory procedures and Stock Exchanges Listing requirement.



**15. Disclosure of Interest**

It is expected that any interest you may have in any transaction or arrangement that the Company has entered into should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record your 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.

**16. Termination**

You may resign from your position at any time and if you wish to do so, you are requested to serve a reasonable written notice (30 days prior) to the Board.

Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with provisions of the Companies Act, 2013, listing agreement and the Articles of Association of the Company, from time to time in force. You will not be entitled to any compensation if the shareholders do not re-elect you at any time.

Your appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company.

If you are willing to accept these terms of appointment relating to your appointment as a non-executive Independent Director of Peacock Industries Limited, kindly confirm your acceptance of these terms by signing and returning to us the enclosed copy of this letter.

We look forward to your association with us.

Thanking You

Yours Sincerely  
For Peacock Industries Limited

Accepted

\_\_\_\_\_  
(Daud Ali)  
Managing Director

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

**Encl:** Code of Conduct for Independent Directors

## **Code for Independent Directors**

### **Section 149(8) of the Companies Act 2013**

### **Schedule IV**

Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfillment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors. The Independent Directors of the Company, shall also abide by the duties as stipulated under Clause 49(II)(B) of the Listing Agreement and Schedule IV to the Companies Act, 2013, which are reproduced below:

#### **I. Guidelines of professional conduct:**

An independent director shall:

1. uphold ethical standards of integrity and probity;
2. act objectively and constructively while exercising his duties;
3. exercise his responsibilities in a bona fide manner in the interest of the company;
4. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
5. not allow any extraneous considerations that will vitiate his 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;
6. not abuse his 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;
7. refrain from any action that would lead to loss of his independence;
8. where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
9. Assist the company in implementing the best corporate governance practices.



## **II. Role and functions:**

The independent directors 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. scrutinize 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 control 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.

### III. Duties:

The independent directors shall—

1. undertake appropriate induction and regularly update and refresh their 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 he is a member;
4. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
5. strive to attend the general meetings of the company;
6. where they 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;
7. keep themselves 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 themselves 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 behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
12. acting within his 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.

#### **IV. Manner of appointment:**

1. Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
2. The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
3. The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
4. The appointment of independent directors shall be formalised through a letter of appointment, which shall set out :
  - a) the term of appointment;
  - b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
  - c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
  - d) provision for Directors and Officers (D and O) insurance, if any;
  - e) the Code of Business Ethics that the company expects its directors and employees to follow;
  - f) the list of actions that a director should not do while functioning as such in the company; and
  - g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
5. The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
6. The terms and conditions of appointment of independent directors shall also be posted on the company's website.

#### **V. Re-appointment:**

The re-appointment of independent director shall be on the basis of report of performance evaluation on annual basis according to the criteria of Companies Act, 2013.

**VI. Resignation or removal:**

1. The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
2. An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
3. Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

**VII. Separate meetings:**

1. The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
2. All the independent directors of the company shall strive to be present at such meeting;
3. The meeting shall:
  - a) review the performance of non-independent directors and the Board as a whole;
  - b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
  - c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**VIII. Evaluation mechanism:**

1. The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
2. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

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