

[On the letterhead of VISA Steel Limited]

Date:

Name:  
DIN  
and address

Dear [insert name of the Independent Director]

**Sub: Your Appointment as an Independent Director of the Company**

1. We thank you for your consent to hold office as a director of the Company and also for your affirmative confirmation to VISA Steel Limited (“**the Company**”) regarding your meeting the “independence” criteria in terms of the Companies Act, 2013 and the Rules made thereunder (“**the Act**”) and the Listing Agreement, as amended from time to time.
2. We write to confirm that upon the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on ..... has appointed you as an Additional Director (Non-Executive Independent Director) on the Board of the Company.
3. Your appointment is subject to the approval of shareholders at the General Meeting of the Company.
4. This letter sets out the terms of your appointment as an Independent Director. Your relationship with the Company will be that of an Office holder and not one of contract for employment.
5. The terms of your appointment, as set out in this letter, are subject to the extant provisions of:
  - 5.1 the applicable laws, including the Act and the Listing Agreement, as amended from time to time and
  - 5.2 the Articles of Association of the Company
  - 5.3 In case of conflict between the provisions of this appointment letter and the Act, the provisions contained in the Act shall prevail.
- 6. Appointment and term**
  - 6.1 Your appointment as a Non-Executive Independent Director on the Board of Directors (the Board) of the Company is for an initial term up to five consecutive]<sup>1</sup> years, with effect from [\_\_ September 2014 till \_\_ September 2019]<sup>2</sup>, unless terminated earlier, or extended, as per the provisions of this letter or applicable laws (“**Term**”).

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<sup>1</sup> **Note to Draft:** To be suitably modified to reflect the term of each Independent Director.

<sup>2</sup> **Note to Draft:** To be suitably modified to reflect the term of each Independent Director.

- 6.2 As an Independent Director, you will not be liable to retire by rotation.

Re-appointment for the second term shall be based on recommendation of the Nomination and Remuneration Committee of the Company and subject to approval of the Board and the Shareholders. Further, such re-appointment as an “Independent Director” would be considered based on the outcome of the performance evaluation process and you continuing to meet independence criteria.

## **7. Board Expectation and Time Commitment**

- 7.1 As a Non-Executive Independent Director you are expected to bring objectivity and independence of 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.
- 7.2 You are expected to at all times comply with the requirements of the Company’s Code of Conduct for Board of Directors and Senior Management (“**the Code**”).
- 7.3 You are expected to attend meetings of the Board of Directors and of the Board Committee, to which you may be appointed and General Meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively.
- 7.4 By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.

## **8. Membership of Committees**

- 8.1 The Board may, if it deems fit, invite you to become a member or chair, one or more of its existing Committees or Committees that may be set up in the future.
- 8.2 Currently you have appointed to serve on the following Committees of the Board:
- 8.2.1 *[to be inserted]*<sup>3</sup>
- 8.3 Your appointment on such Committee(s) and your participation therein will be subject to the provisions of the Act and the Listing Agreement.

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<sup>3</sup> **Note to Draft:** To be suitably modified to reflect the term of each Independent Director.

## **9. Role and Duties**

- 9.1 Your roles and duties will be those normally required of a Non-Executive Independent Director under the Act and the Listing Agreement. There are certain duties prescribed for all Directors, both executive and non executive, which are fiduciary in nature and are as under:
- 9.1.1 You shall act in accordance with the Company's Articles of Association.
  - 9.1.2 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, its employees, the shareholders, the community and for the protection of environment.
  - 9.1.3 You shall discharge your duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
  - 9.1.4 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 interest of the Company.
  - 9.1.5 not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners, or associates; and
  - 9.1.6 You shall not assign your office as a Director and any assignment so made shall be void.
- 9.2 In addition to the above, Board of Directors of the Company also expects you to perform the following functions:
- 9.2.1 You should constructively challenge and help develop proposals for growth of the Company;
  - 9.2.2 You will evaluate performance of the management in meeting the agreed goals and objectives;
  - 9.2.3 You shall satisfy yourself on the integrity of financial information and that the financial controls and systems of risk management are effective/ robust and defensible;
  - 9.2.4 You shall determine appropriate levels of remuneration of Executive Directors and have a prime role in appointing, and where necessary, removing Executive Directors and in succession planning;
  - 9.2.5 You will take responsibility for the processes for accurately reporting the performance and the financial position of the Company.
  - 9.2.6 You should keep governance and compliance with the applicable legislation and regulation under review and the conformity of the Company's practices to the accepted norms.

- 9.3 As a Non Executive Independent Director, you shall abide by and adhere to 'the Code for Independent directors' as outlined in Schedule IV of the Act and Section 166 of the Act and in clause 49 of the Listing Agreement which sets out the Roles and Duties of the Independent Directors. The above mentioned provisions are deemed to have been incorporated herein by reference.

## **10. Fees/Remuneration**

- 10.1 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, and if required under applicable laws, approved by the Shareholders, from time to time. Further, you will also be paid remuneration by way of commission as may be approved by the Board and the Shareholders from time to time.
- 10.2 The sitting fees presently paid to the Non-Executive Independent Director is Rs.20,000/- per meeting of the Board and Rs.10,000 per meeting for a Board Committee.
- 10.3 The Company shall bear the expense for travel, stay and conveyance or reimburse to you such fair and reasonable expenditure incurred towards hotel accommodation, travelling and other out-of-pocket expenses in connection with attending the meetings of Board or Committee, General Meetings and in relation to the business of the Company.
- 10.4 Pursuant to applicable law, you will not be entitled to any stock options, or other equity linked remuneration.

## **11. Induction and Development**

- 11.1 The Company shall, if required, conduct formal induction program for its Independent Directors. You will be required to make yourself available for the training as and when conducted.
- 11.2 The Company shall, as may be required, support Directors to continually update their skills and knowledge and improve their familiarity with the Company and its business affairs, the peculiarities of the industry in which the Company operates, its goals and expectations and long term plans and objectives etc. The Company will fund/arrange for training on all matters which are common to the whole Board.

## **12. Directors and Officers Liability Insurance Policy**

The Company has in place a Directors and Officers Liability Insurance (D&O) Policy, which will also be applicable to an Independent Director from the date of his/her appointment. A copy of the policy document can be supplied to you on request.

## **13. Code of Conduct**

- 13.1 The Code is available at **Annexure 1**. You are required to at all times adhere to the terms and conditions of the Code.

- 13.2 Unless specifically authorized by the Company, you shall not disclose confidential information relating to the Company or its business. Detailed requirements in this regard are contained in the Code. Your obligation of confidentiality shall survive termination or cessation of your directorship with the Company.
- 13.3 We would like to draw your attention to the applicability of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992 (as amended) and VISA Steel Limited - Code of Conduct for Prevention of Insider Trading, and provisions of the Section 195 of the Act, which prohibit insider trading. You shall not engage in or facilitate (directly or indirectly) any activity which constitutes insider trading.
- 13.4 Additionally, you shall not participate in any business activity which might impede the application of your independent judgment in the best interest of the Company.
- 13.5 Further, you shall abide by all requirements imposed by applicable laws on the conduct of Independent Directors. You shall not undertake any activity which Independent Directors are, under applicable laws, not permitted to undertake.
- 13.6 You are required to submit an annual declaration of having abided by aforesaid Code is required from every Director.

#### **14. Performance Evaluation**

- 14.1 As a member of the Board, your performance as well the performance of the entire Board and its Committees shall be evaluated annually. The criteria for evaluation shall be determined by the Nomination and Remuneration Committee and disclosed in the Company's Annual Report. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board and the Committees thereof.
- 14.2 Your reappointment or extension of term shall be recommended by the Nomination and Remuneration Committee of the Board, pursuant to the performance evaluation carried out by the Board.

#### **15. Disclosures, other Directorships and Business Interests**

- 15.1 During the Term, you agree to promptly notify the Company of any change in your Directorships and provide such other disclosures and information as may be required under the applicable laws. You also agree that upon becoming aware of any potential conflict of interest with your position as Independent Director of the Company, you shall promptly disclose the same to the Company. Please confirm that as on date of this letter, you have no such conflict of interest issues.
- 15.2 During your Term, you agree to promptly provide a declaration under Section 149(7) of the Act, upon any change in circumstances which may affect your

status as an Independent Director.

## **16. Changes of Personal Details**

During the Term, you shall promptly intimate the Company and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

## **17. Termination**

17.1 Your Directorship on the Board of the Company shall terminate or cease in accordance with law.

17.2 Apart from the grounds of termination as specified in the Companies Act, 2013 and the Articles of Association of the Company, your Directorship may be terminated for violation of any provision of the Code or other policies or guidelines formulated by the Company, from time to time.

17.3 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. You shall be required to fulfill the requirements imposed on you under the applicable laws in relation to your resignation from the Company and make necessary filings and intimations in this regard.

17.4 If, at any stage during the Term, there is a change that may affect your status as an Independent Director under applicable laws and as a consequence of such change, you no longer meet the criteria for “independence” under the provisions of Clause 49 of the Listing Agreement, you agree to promptly submit your resignation to the Company with effect from the date of such change.

## **18. Cooperation**

In the event of any claim or litigation against the Company, based upon any alleged conduct, act or omission on your part during your term, you agree to render all reasonable assistance and cooperation to the Company and provide such information and documents as are necessary and reasonably requested by the Company or its counsel.

## **19. Governing Law**

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

## **20. Miscellaneous**

20.1 This letter represents the entire understanding, and constitutes the whole agreement, in relation to your appointment and supersedes any previous agreement between yourself and the Company with respect thereto.

- 20.2 No waiver or modification of this letter shall be valid unless made in writing and signed by you and the Company.
- 20.3 This letter along with your detailed profile shall be disclosed on the website of the Company. Further, a copy of this letter shall be maintained at the registered office of the Company for inspection.

**21. Acceptance Of Appointment**

We are confident that the Board and the Company will benefit immensely from your rich experience and we are eager to have you as an integral part of the growth of our Company. If these terms of appointment are acceptable to you, please confirm your acceptance by signing and returning the enclosed copy of this letter.

Yours sincerely,

For VISA Steel Limited

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Chairman

**AGREE AND ACCEPT**

I have read and understood the terms of my appointment as an Independent Director of the Company and I hereby affirm my acceptance to the same.

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Name:  
Place:  
Date: