

03/09/2014

To
Mr.....
(DIN :.....)
.....

Dear Sir,

Sub: Appointment Letter along with terms & conditions

Ref : 21ST AGM held on 2ND September 2014

We are pleased to inform you that the members of the company at the 21st Annual General meeting of the company held on 2nd day of September 2014 have appointed yourself as an Independent Director of the company for a period of 5 (five) consecutive year w.e.f. 1st April 2014 upto 31st March 2019.

The terms & Conditions of your appointment are as follows :

1) Terms of Appointment :

You are appointed for a terms of 5 consecutive years with effect from 1st April 2014 and terms expiring on 31st March 2019. Also you have being appointed as an Independent Director not liable to retire by rotation.

2) Role and functions :

Your role and function shall be guided as per the Code of Independent Director (Schedule IV) pursuant to section 149(8) of Companies Act 2013 and Rules made thereon :

- ❖ 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;
- ❖ bringing an objective view in the evaluation of the performance of board and management;
- ❖ scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- ❖ satisfying oneself on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- ❖ safeguard the interests of all stakeholders, particularly the minority shareholders;
- ❖ balance the conflicting interest of the stakeholders;
- ❖ 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;
- ❖ moderating and arbitrating in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

3) Expectation of Board :

The board's plays a vital role in the growth of company. It is to effectively represent, and promote the interests of, shareholders with a view to adding long-term value to the Company's shares. The board directs, and supervises the management of, the business and affairs of the Company and ensure that the Company's goals are clearly established, and that strategies are in place for achieving them. The board expects that you should exercise your responsibilities in true and fair manner and that to in the interest of the company:

- **Time Commitments:** The Company anticipates commitments of sufficient time and attention as necessary for proper performance of your duties. You shall strive to attend all the board meeting and relevant committee meeting , General Meetings etc.
- **Strategy:** You should constructively challenge and help to develop proposals on strategy by bringing a different and external perspective& ideas to Board.
- **Performance:** You should support and scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.
- **Risk:** You should satisfy yourself that Board discussion and decision making on risk matters is based on accurate and appropriately comprehensive information and draws, as far as they believe it to be relevant or necessary, on external analysis and input. In particular, you should satisfy yourself on the integrity of financial information and that financial controls and systems of risk management are robust, adequate and effective
- **Confidentiality :** You must apply the highest standard of confidentiality and not disclose to any person or company (whether during the course of Appointment or at any time after its termination) any confidential information concerning the company and any group companies with which you come into contact by virtue of your position as a Non Executive Independent Director of the company.

4) The Board expects the following from you while you perform your duties as an Independent Director

- ❖ 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;
- ❖ 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;
- ❖ keep yourself well informed about the company and the external environment in which it operates;
- ❖ not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- ❖ 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;
- ❖ 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;
- ❖ report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- ❖ act within authority, assist in protecting the legitimate interests of the company, shareholders and its employees;

5) The fiduciary duties of an Independent Director :

You must abide with the duties, responsibilities and professional conduct as are applicable to Independent directors.:

- a) You Shall not breach any of the terms & conditions pertaining to Independent Directors as mentioned in Companies Act 2013, Listing Agreement or any other Act or regulations and shall abide by the Code of Independent Directors as specified under Schedule IV to the Companies Act 2013 .
- b) Abide by the Code of Conduct of Ashika Credit Capital Ltd for Directors and Senior Management.
- c) You shall display utmost alacrity in approving Financial Statements.
- d) You shall not misuse the assets, property, information or any other matter that may be in possession, in the capacity as a Director of the company.
- e) You shall not engage in Insider Trading activities
- f) You shall ensure compliances of the laws of the land.

Also follow the below mentioned professional conduct as an Independent Director of the company

- uphold ethical standards of integrity and probity;
- act objectively and constructively while exercising your duties;
- exercise responsibilities in a *bona fide* manner in the interest of the company;
- devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- assist the company in implementing the best corporate governance practices.

6) Provisions for Directors and Officer (D and O) insurances, if any.:

The company at present doesn't have any such Insurance facilities for Directors and Officer. Further in near further if any insurance proposal are under taken for consideration, the same shall be duly informed to you.

7) List of Action that you should not do while functioning as such in the company - You shall not

- a) Serve as an Independent Director in more than 7 (seven) listed companies or such changes as may be specified in clause 49 of the Listing Agreement. However, if you serve as an Whole time director in any listed company you shall serve as an Independent Director in not more than 3 listed companies.
- b) Undertake any action that would lead to loss of independence.
- c) 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;
- d) 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;
- e) Participate in a discussion for a contract or arrangement or 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 the following reason and shall bring to the notice of board :
 - You either individually or together with any other directors holds more than 2% shareholding of that body corporate or are a Promoter , Manager CEO of that body corporate.
 - You are a partner of that firm or owner or member of that entity.

8) The remuneration, mentioning periodic fees, reimbursement of expenses for participation in the board and other meeting and profit related commission, if any :

As of now, no remuneration is paid to any of the Non Executive Independent Directors. They are presently paid only sitting fees for attending Board meetings and committee meeting. In near future if any remuneration policy is adopted for making payment to Non Executive Independent Directors, the same shall be reviewed by Nomination & Remuneration committee and Board thereof. According the details of remuneration will be incorporated. The expenses, if any incurred for attending committee or board meeting shall be reimbursed.

9) Board and Individual Director Evaluation Processes :

There shall be an annual performance evaluation of the board as a whole, its committees and individual directors. On the basis of such report of performance evaluation , the board shall decide whether to extend or continue your term of appointment.

10) 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;
- 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, or if applicable, you fail to 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. You shall also promptly submit your resignation to the Company as and when the Board of Directors by majority decision 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.

11) Others :

You shall give the following disclosure to the company :

- Annual declaration as required under 149(7) of Companies Act 2013 and clause 49 of Listing Agreement .
- Consent in writing to act as Director in Form in DIR - 2 under Companies Act 2013
- Intimation in Form DIR-8 to the effect that you are not disqualified under section 164(2) of Companies Act 2013.

- Disclosure of interest or concern, directly or indirectly in any company, body corporate, firm or other association of individual in Form MBP-1 , pursuant to section 184(1) of Companies Act 2013 and rules made there under at the first board meeting in which you participate as a Director and thereafter at the first board meeting in every financial year.

Further its a matter of great honor and privilege to have you on our Board. We are sure that under your able guidance, our governance standards, reputation and thought leadership would be further augmented and we would tread on the path of setting higher performance benchmarks in years to come. The Appointment letter is issued based on the applicable provisions of Companies Act 2013, Listing agreement and other Regulations as applicable at the time of the appointment.

We look forward for your valuable contribution to the growth of the company and expects a fruitful and long lasting association with you.. .

Thanking you

Yours faithfully

For, Ashika Credit Capital Limited

**Sd/-
(Pawan Jain)
Managing Director**

**I accept the above terms & conditions of
my appointment as an Independent Director
Dated :**