

## Draft Letter of Appointment of Independent Director

To,

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Dear Sir,

On behalf of all the Board members of Heubach Colorants India Limited (the "Company"), I would like to welcome you on the board of the Company as an Independent Board member.

We thank you for your confirmation to the Company that you meet the "Independence" criteria as envisaged in Section 149(6) of the Companies Ad, 2013 ("Companies Act") and Clause 49 of the Listing Agreement as amended vide circular issued by Securities and Exchange Board of India (ref no. CIR/CED/POLICY CELL/2/2014 dated 17th April, 2014 and effective October 1, 2014) and also for your consent to hold office as a director of the Company.

Pursuant to your confirmation, we are pleased to confirm that the Board and the shareholders have approved your appointment as an Independent Director on the Board of the Company.

The purpose of this letter is to confirm your appointment as Independent Director (ID) as per provisions of the Companies Act. The Companies Act has specifically defined the roles, duties, liabilities and the manner of appointment of ID on the Board and various Committees of the Company. This letter sets out term of appointment of your appointment as an Independent Director. Your relation with the Company will be that of office holder and not one of contract for employment with Company. Terms of appointment, as set out in this letter, are subject to provisions of the Companies Act and Clause 49 of the Listing Agreement entered with Stock Exchanges (as amended from time to time) and Articles of Association of the Company.

Kindly return the duplicate copy of this letter, and the Terms of Appointment enclosed herewith, duly signed by you in confirmation.

We look forward to your continued support and guidance.

Thanking you,

Yours sincerely  
For Heubach Colorants India Limited

Authorised Signatory

## Terms of Appointment of Independent Director

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On behalf of the Company I write to confirm your appointment as an independent Non-Executive director of the Heubach Colorants India Limited ("the Company"), as per the provision of the Companies Act, 2013 with effect from April 1, 2015. Set out below are the terms of your appointment:

### 1. APPOINTMENT

Your appointment is subject to the provisions of Companies Act, 2013 and will be for a term of Four (4) consecutive years and shall take effect from April 1, 2015 unless terminated earlier or extended, as per the provisions of this letter or applicable laws ("Term").

As an Independent Director you will not be liable to retire by rotation as per the relevant provisions of the Companies Act and Listing agreement.

### 2. COMMITMENTS

#### A) Independent Director

You will be expected to devote such time as is necessary for the proper performance of your duties and as an independent Director you will be involved in a number of Board and Committee Meetings, as the case may be, each year. You should strive to attend all the scheduled quarterly Board Meetings, General Meetings; Committee Meetings and other meetings.

As an independent director you should strive to hold and be present in at least one meeting in a year without the presence of non-independent directors and members of management with the sole objective of:

- (a) Reviewing the performance of non-independent directors and the Board as a whole;
- (b) Reviewing the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- (c) Assessing 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.

By accepting this appointment, you have confirmed that you are able to allocate sufficient time to meet the expectations of your role.

#### B) The Company

The Company shall provide you with adequate notice of the dates of proposed board meeting general meeting and meetings of the board committee. As per the provision of the Companies Act, the Company is expected to give you an advance notice of minimum 7 days of every Board Meeting. A meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one independent director shall be present at the meeting and in case of absence of an independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director. The notice of the Board/ Committee meetings will be provided along with the agenda of the Board/Committee meetings.

- The company will train its Board members in the business model of the Company as well as the risk profile of the business parameters of the Company and their responsibilities as directors
- The Company will provide special training courses which are conducted by the various professional bodies to ensure that the directors are refreshed and equipped to perform their role with the highest standards.
- Company shall establish an effective whistle blower mechanism so that the directors can raise their concerns
- It shall be the responsibility of the Company to provide the independent director with all the information and documents they validly require to fulfill their functions.

### 3. CODE OF CONDUCT, FUNCTIONS AND DUTIES

You will be expected to perform your duties, whether statutory, fiduciary or under common law, faithfully, efficiently and diligently to a standard commensurate with both the functions of your role and your knowledge, skills and experience. You will have all the usual duties of an Independent Director under Companies Act and applicable listing agreement of the Stock Exchange, where shares of the Company are listed, together with such additional duties as may be agreed with the Board and which may relate to the business of the Company or any other member of the Group. You will be required to serve on such committees and/ or Subcommittee of Directors as the Board may request. In addition, you will be expected to devote appropriate preparation and travel time ahead of each meeting.

As a Director of the Company, you will have legal duties and obligations under Companies Act. It is expected that you will familiarize yourself with the relevant Directors' Code of Conduct which is available on Company's website [www.heubach.com](http://www.heubach.com)

### 4. LIABILITY

As an independent director you will be liable only in respect of such acts of omission or commission by a company which had occurred with your knowledge, attributable through

Board processes, and with your consent or connivance or where you had not acted diligently.

## 5. TECHNOLOGY

Being a Director, you may make use of video, telephone, electronic mail, any other technology which permits each Director to communicate with every other Director, or any combination of these technologies for the purpose of calling and holding Directors' meetings.

You may attend the board or committee meeting through video conferencing or other audio visual means subject to the applicable provisions of the Companies Act.

## 6. CONFLICT OF INTEREST

By accepting this appointment you will be deemed to have confirmed that any other position you hold including your directorships in other organizations, shall not give rise to any conflicts of interest in relation to your appointment as an Independent Director of the Company. Should you become aware of any conflict or potential conflict during your appointment, you are expected to notify the Company Secretary.

As an Independent Director you shall not engage in any activity/ies that is not expected from you as an Independent Director.

## 7. DISCLOSURES

You are required to disclose to the Company your interests and any matters (excluding those matters which may be subject to legal professional privilege) which affect your independence.

During your tenure as an independent director you are required to give a declaration that you meet the criteria of independent every financial year as provided under Section 149 of the Companies Act and Clause 49 of the Listing Agreement.

## 8. DIRECTORS' FEES

You shall be paid a sitting fee as decided by the Board from time to time for attending the each meeting of Board as well as the Committee meetings attended by you, as decided by the Board of Directors, from time to time, as per the provision of Section 197 of the Companies Act and the Articles of Association of the Company.

The Company shall reimburse you all traveling, hotel, and other incidental expenses properly and reasonably incurred by you in performance of duties as per provisions of the Companies Act in conjunction with the Company rules and policies. This could include reimbursement of expenditure incurred by you for attending Board! Committee meetings, Annual General Meetings, Extraordinary General Meetings, court convened meetings,

meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the Company for Directors) and in obtaining, subject to prior consultation with the Board, professional advice from independent advisors in the furtherance of your duties as an Independent Director.

As an independent director you shall not be entitled to any stock option and shall not be covered by any pension scheme.

## 9. PERFORMANCE APPRAISAL/ EVALUATION PROCESS

As a member of the Board, your performance as well as the performance of the entire Board and its Committees shall be evaluated annually. Evaluation of each director shall be done by all the other directors. 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 I Committee. An indicative list of factors that may be evaluated as part of this exercise is:

- Participation and contribution by a director,
- Commitment (including guidance provided to senior management outside of Board / Committee meetings),
- Effective deployment of knowledge and expertise,
- Effective management of relationship with stakeholders,
- Integrity and maintenance of confidentiality,
- Independence of behaviour and judgment, and
- Impact and influence.

The performance of individual directors, the whole Board and its committees is evaluated annually. If, in the interim, there are any matters which cause you concern about your role, you should discuss them with the Chairperson or the senior independent director as soon as you can.

## 10. DISCLOSURES, OTHER DIRECTORSHIPS AND BUSINESS INTERESTS

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 Chairperson and the Company Secretary. Please confirm that as on date of this letter, you have no such conflict of interest issues with your existing directorships.

During your Term, you agree to promptly provide a declaration under Section 149(7) of the Companies Act, upon any change in circumstances which may affect your status as an Independent Director.

## 11. CHANGES OF PERSONAL DETAILS

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

## 12. TERMINATION

Your directorship on the Board of the Company shall terminate, or cease in accordance with law. Apart from the grounds of termination as specified in the Companies Act, your directorship may be terminated for violation of any provision of the Company's Code of Conduct as applicable to Non-Executive Directors.

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. It is desirable that you give the Chairman reasonable forewarning of your intention to resign or to not seek re-appointment where that is possible so that the Company can plan for succession of skills and experience on the Board.

If at any stage during the Term, there is a change that may affect your status as an Independent Director as envisaged in Section 149(6) of the Companies 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.

## 13. CODE OF CONDUCT FOR DIRECTORS AND CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING FOR EMPLOYEES INCLUDING DIRECTORS

You are required to abide by the Code of Conduct for Directors and Code of Conduct for Prevention of Insider Trading for Employees, including Directors, as issued by the Company which is available on Company's website [www.heubach.com](http://www.heubach.com)

## 14. INDUCTION & TRAINING

Where possible, directors will be encouraged to attend special training courses by various professional bodies to ensure that the directors are refreshed and equipped to perform their role in the highest standards and performance possible. You should feel free to request any further information which you require, at any time,

## 15. INDEMNITY AND INSURANCE/ PROVISION FOR DIRECTORS AND OFFICERS (D & O) INSURANCE

The Company may obtain a Directors' & Officers' liability Insurance Policy for you. Details of the same will be provided as and when such policy is taken by the Company

## 16. CONFIDENTIALITY AND ACCESS TO COMPANY RECORDS

Under the Companies Act, Directors have a right of access to Company's documents and records, including financial records.

Any confidential information which may come to your knowledge in the performance of your duties as a director of the Company must not be divulged, except insofar as:

- a. may be necessary in connection with the proper performance of your duties to the Company;
- b. the Company may from time to time authorize you to disclose such information as may be required by you with the condition that you will take all reasonable precautions as may be necessary to maintain the secrecy and confidentiality of all confidential information of the Company; or
- c. you may be required by law to disclose.

Your obligation of confidentiality shall survive termination or cessation of your directorship with the Company.

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.

## 17. 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.

## 18. MISCELLANEOUS

- 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 and, without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom.
- No waiver or modification of this letter shall be valid unless made in writing and signed by you and the Company.
- As per Clause 49 of the Listing Agreement, if applicable, this letter along with your detailed profile shall be disclosed on the website of the Company and the relevant stock exchange.

## 19. APPLICABLE LAW

This letter of appointment shall be governed by the laws of India.

## 20. 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. In returning this letter duly signed, you agree that the Company may make this letter publicly available.

We thank you for your continued support and commitment to the Company.

Yours sincerely  
For Heubach Colorants India Limited

Authorised Signatory

I have read and agree to the above terms regarding my appointment as an independent non-executive Director

Signature:

Name- \_\_\_\_\_

DIN- \_\_\_\_\_

Date- \_\_\_\_\_

Place- \_\_\_\_\_