

Date: _____

To

Dear Sir/Madam,

Sub: Appointment as an Independent Director

We thank you for your confirmation to the Company that you meet the "Independence" criteria as envisaged in Section 149(6) of the Companies Act, 2013 ("Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 herein after referred to as "Listing Regulations" and also specifically affirming that you are not debarred from holding the office of director by virtue of any SEBI order or any other such authority.

Pursuant to your confirmation, and on the recommendation of the Nomination and Remuneration Committee of the Company, the Board has approved your appointment as an Independent Director on the Board of the Company and recommended the matter for the approval of the Shareholders in the Annual/Extra-ordinary General Meeting of the Company.

At the Annual/Extra-ordinary General Meeting of the Company held on _____, Shareholders of the Company have approved the matter regarding your appointment as an Independent Director on the Board of the Company.

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 in the Company.

The terms of your appointment, as set out in this letter, are subject to the extant provisions of the applicable laws, including Act and "Listing Regulations" (as amended from time to time).

1. Terms of Appointment

Your appointment will be for a term of _____ year from _____ up to _____, unless terminated earlier as per the provisions of this letter or applicable laws ("**Term**"). As an Independent Director you will not be liable to retire by rotation.

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

2. Role, Duties and Responsibilities

- A. As member of the Board you along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:
- Requirements under the Companies Act, 2013,
 - Responsibilities of the Board as outlined in the Corporate Governance requirements as prescribed by Stock Exchanges under “Listing Regulations”.
 - Accountability under the Directors' Responsibility Statement,
 - Overseeing the maintenance of high standards and ethical conduct of business.
- B. You shall abide by the 'Code for Independent Directors' as outlined in Schedule IV to Section 149(8) of the Act, and duties of directors as provided in the Act (including Section 166) and in “Listing Regulations”. For your ready reference, the relevant provisions have been extracted and attached to this letter as **Annexure “A”**.

3. Remuneration

As an Independent Director you shall be paid sitting fees for attending the meetings of the Board and the Committees of which you are a member as fixed by the Board from time to time. Presently, the Company pays sitting fees of Rs.25000/- per meeting for attending the meetings of the Board and Rs.5000/- per meeting for attending the meetings of the Audit Committee, Nomination and Remuneration Committee and the Corporate Social Responsibility Committee of the Company.

Further, the Company will pay or reimburse to you such fair and reasonable expenditure, as may have been incurred by you while performing your role as an Independent Director of the Company.

4. D & O Insurance

The Company has taken a Directors and Officers insurance policy (D & O policy) to pay for the personal liability of directors and officers for claims made against them while serving on the Board and/or as an officer of the Company.

5. Code of Business Ethics

As an Independent Director of the Company, you agree to comply with the following Code of Business Ethics:

- will always act in the interest of the Company and ensure that any other business or personal association which you may have, does not involve any conflict of interest with the operations of the Company and your role therein,
- will comply with all applicable laws and regulations of all the relevant regulatory and other authorities as may be applicable to you as Director in your individual capacity,
- will safeguard the confidentiality of all information received by you by virtue of your position.

Unless specifically authorised by the Company, you shall not disclose Company's business information to public constituencies such as the media, the financial community, employees, shareholders, agents, franchisees, dealers, distributors and importers.

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

We would also like to draw your attention to the applicability of both, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Company's Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Designated Persons and their immediate relatives as amended from time to time.

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.

6. Disclosures of Changes

During your term, you agree to promptly provide a declaration under Section 149(7) of the 2013 Act, every year and upon any change in circumstances which may affect your status as an Independent Director, as per the provisions of the Act.

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.

7. Termination

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

You may resign from the directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation and also to Registrar of Companies (RoC). 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.

8. Consent for Appointment

We have already received your consent in form DIR-2 to act as Director of the Company. The appointment has been made on the basis of consent received from you. We are confident that the Board and the Company will continue to be benefited immensely from your rich experience and we are eager to have you as an integral part of the growth of our Company.

Please acknowledge the receipt of this letter by signing and returning the enclosed copy of this letter.

Yours Sincerely,

For Jayaswal Neco Industries Limited

**Arvind Jayaswal
Managing Director
DIN. 00249864**

ACKNOWLEDGEMENT

I hereby acknowledge the receipt of the appointment letter. I have also read and understood the terms of my appointment as an Independent Director of the Company and I hereby affirm the same.

Name:

Signature: _____

Place:

Date:

Annexure A

SCHEDULE IV read with Section 149(8) of the Companies Act, 2013 CODE FOR INDEPENDENT DIRECTORS

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment 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.

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) scrutinise 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 controls 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 behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) acting within their 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.

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 three months 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 financial 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.
