

**30<sup>th</sup> September, 2014**

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**Dear Sir,**

**Subject: Letter of Appointment as Independent Director**

On behalf of the Board of Directors of Bateli Tea Co. Limited ("the Company"), I am pleased to inform you that the Shareholders of the Company at their Annual General Meeting held on September 30, 2014, have approved your appointment as an Independent Director of the Company to hold office for a term of five years, i.e. from the conclusion of the said AGM up to September 29, 2019. This letter set 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 broad terms and conditions of your appointments as Independent Director are reproduced hereunder:

**1. Appointment:**

- a) As per the provision of Section 149(10) and in accordance with the resolution passed at the Annual General Meeting held on September 30, 2014, your term of appointment will commence on September 30, 2014 and will continue till September 29, 2019 ("Term"). The Company may disengage Independent Director(s) prior to completion of the Term subject to compliance of relevant provisions of the Companies Act, 2013 (the "Act").
- b) Your appointment shall not be subject to retire by rotation as per the provisions of sub-section (6) of Section 152 of Companies Act, 2013, read with the Articles of Association of the Company.
- c) Your appointment as Independent Director of the Company was based, inter alia, on declaration by you that you comply with the conditions of independence as listed in Section 149(6) of the Companies Act 2013, read with relevant rules, and the provisions of Clause 49 of the Listing Agreement. If there is any change in circumstances affecting your independence, you are required to immediately let the Board of Directors know of the same, in terms of Section 149(7) of the Act.
- d) Your appointment will also be terminated automatically on the expiry of the term of appointment as above, or if you vacate your office in terms of Section 167 of the Act. You are requested to please note that the Act does not permit any compensation for termination of office under any circumstance.

**2. Board Committee**

As advised by the Board, during the tenure of office, you may be required to serve on one or more of the Committees of the Board established/to be established by the Company. The Board may, while recommending your name on any committee(s)/ Sub-committee(s) forward you broad terms of reference of the said committee(s)/ sub-committee(s), which shall form the mandate statement for that committee(s)/ sub-committee(s).

**3. Role, duties and responsibilities:**

- a) As members of the Board, you along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:
  - a. Requirements under the Companies Act 2013;
  - b. "Responsibilities of the Board" as outlined in the Corporate Governance requirements as prescribed by Stock Exchanges under Clause 49 of the Listing Agreement;
  - c. Accountability under the Director's Responsibility Statement.

- b) You shall abide by the 'Code For Independent Directors' as outlined in Schedule IV to section 149(8) of the Companies Act, 2013 and duties of directors as provided in the Companies Act, 2013 (including Section 166) and in Clause 49 of the Listing Agreement.
- c) You are particularly requested to provide guidance in your area of expertise.

#### **4. Time Commitment:**

You will devote such time as is prudent and necessary for the proper performance of the role, duties and responsibilities as an Independent Director.

#### **5. Remuneration:**

- a) No sitting fees will be paid for attending the meetings of the Board and the Committees thereof of which you are a member.
- b) Further, the Company may pay or reimburse to the Director such expenditure, as may have been incurred by you while performing your role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by you for attending Board and Committee Meeting, Annual General Meeting, Extra Ordinary General Meeting, meeting with shareholders, / creditors/ creditors/management, site visits, induction and training (organized by the Company for Directors) and in obtaining, subject to the expense being reasonable, professional advice from independent advisors in the furtherance of their duties as Independent Directors.

#### **6. Code of Conduct:**

As an Independent Director of the Company you shall follow the Code of Independent Directors as stipulated under Schedule IV of the Companies Act, 2013.

The Board of Directors of the Company has adopted a Code of Conduct for the Directors and Senior Management Personnel. The Company has also adopted a Code of Business Ethics which is applicable to the Directors and employees of the Company at all level.

The Company has framed a separate Regulation prohibiting insider trading in the Company's Shares listed in the stock exchanges in India. You will be required to follow the regulation and shall not deal in the Company's shares when the Trading Window remains closed. The period of closure of trading window shall be intimated in due course.

Additionally, you shall not participate in any business activity which might impede the application of their independent judgment in the best interest of the Company.

#### **7. Training and Development:**

- a) The Company may, if required, conduct formal training program for its Independent Directors.
- b) The Company may, as may be required, support Directors to continually update their skills and knowledge and improve their familiarity with the company and its business. The Company will fund/arrange for training on all matters which are common to the whole Board.

#### **8. Performance Appraisal / Evaluation Process:**

As a member of the Board, your performance as well as the performance of the entire Board and its Committees will be evaluated annually. Evaluation of each director shall be done by all the other directors. The criteria for evaluation shall be 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 / Committee.

#### **9. Disclosures, other directorships and business interests:**

During the Term, you agree to promptly notify the Company of any change in the 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 Chairman and the Company Secretary.

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

**10. 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.

**11. Disengagement:**

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.

Your directorship on the Board of the Company shall cease in accordance with law. The Company may disengage Independent Directors prior to completion of Term (subject to compliance of relevant provisions of the Companies Act, 2013) upon

- Violation of any provision of the MLD Code of Conduct as applicable
- Upon the director failing to meet the criteria for independence as envisaged in Section 149(6) of the Companies Act, 2013.

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.

On behalf of the Board, I wish you success and looking forward to a mutually beneficial association during your tenure as an Independent Director of the Company.

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

**Yours Sincerely,**

**On behalf of the Board of Director  
For Bateli Tea Co. Limited**

**Director**