

____.____.20__

Mr./Mrs. _____

DIN: _____

Address: _____

Dear Sir,

Appointment as an Independent Director of Derewala Industries Limited [Formerly known as Derewala Jewellery Industries Ltd] ("the Company")

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 ("the Act") and also for your consenting to hold office as a director of the Company.

Pursuant to your confirmation, we are pleased to confirm that, the Board of Directors ("the Board") of the Company at its meeting held on _____ has passed the resolution for your appointment as Additional Director pursuant to Section 161 of the Companies Act, 2013 ("the Act") and the Articles of Association of the Company in the category 'Non-Executive, Independent Director' with effect from _____.

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 (i) applicable laws, including 2013 Act and (ii) Articles of Association of the Company ("AOA").

Appointment

1. In accordance with the provisions of the Companies Act, 2013 and other applicable laws, you will serve as an Additional Director (Non-Executive, Independent) on the Board of Directors of Company with effect from _____ and upto the date of next __ Annual General Meeting of the Company.

Further the necessary resolution for your appointment as Non-Executive, Independent Director', not liable to retirement by rotation as per the Act will be moved to next __ Annual General Meeting of the Company.

2. Notwithstanding the other provisions of this letter, the Appointment may be terminated at any time by the Company in accordance with the Company's Articles of Association or the Act or that you resign by written notice. It is desirable that you give the Chairman reasonable forewarning of your intention to resign so that the Company can plan for succession of skills and experience on the board. Upon such termination or resignation for any reason, you shall not be entitle to any damages for loss of office and no fee will be payable to you in respect of any unexpired portion of the term of the Appointment. In case of resignation from directorship as per provisions of the Act, you are required to file a copy of resignation letter with Registrar of Companies, Rajasthan.
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- 3 The Board of Directors of the Company in its meeting held on _____ also appointed you a member of ___ Committee of the Board and member of ___ Committee of the Board ___ Committee of the Board of the Company and further you may be asked to serve on one or more of the Board committees from time to time.
- 4 You are considered to be a Non-Executive, Independent Director and will be identified as such in the annual report and other documentation. If circumstances change, and you believe that your independence may be in doubt, you should discuss this with the Chairman as soon as possible.

Time Commitment

- 5 The Company anticipates a commitment of sufficient time and attention as necessary in order to perform your duties under the Appointment. This will include attendance at regular and emergency Board meetings, General Meeting and the Annual General Meeting (held normally in September each year at a venue in Jaipur). You may also be required to attend regular meetings of any Board committee of which you are a member. In addition, you will be expected to devote appropriate preparation time ahead of each meeting.
- 6 By accepting the Appointment, you confirm that you are able to allocate sufficient time to perform your role.

Role & Duties

- 7 As Non-Executive, Independent Director you have the same general legal responsibilities/duties to the Company as any other Director i.e.
- You shall act in accordance with the Articles of Association as may be amended from time to time.
 - 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 the environment.
 - You shall exercise your duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
 - 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.
 - You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners, or associates and if you are found guilty of making any undue gain, you shall be liable to pay an amount equal to that gain to the company.
 - You shall not assign your office as Director and any assignments so made shall be void.
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8 The Board as a whole is collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs. The Board:

- Provides entrepreneurial leadership of the Company within a framework of prudent and effective control which enable risk to be accessed and managed;
- Sets the Company's strategic aims, ensures that the necessary financial and human resources are in place for the Company to meet its objectives, and reviews management performance; and
- Sets the Company's values and standards and ensures that its obligations to its shareholders and others are understood and met.

9 In addition to these requirements of all Directors, the role of the Non-Executive, Independent Director has the following key elements:

- Strategy
Non-Executive, Independent Director should constructively challenge and contribute to the development of strategy;
- Performance
Non-Executive, Independent Director should scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- Risk
Non-Executive, Independent Director should satisfy themselves that financial information is accurate and that financial controls and systems of risk management are robust and defensible; and
- People
Non-Executive, Independent Director are responsible for determining appropriate levels of remuneration of Executive Directors and have a prime role in appointing, and where necessary removing, senior management and in succession planning.

Fees

10 You will be paid sitting fee for your services as a Non-Executive, Independent Director on Board of Directors of the Company and for membership of Board committee as approved by Board of Directors from time to time.

11 You will have no entitlement to any bonus during the Appointment and no entitlement to participate in any share scheme or pension scheme operated by the Company.

Expenses

12 In addition to the fee described in point no. 10 above, the Company will reimburse you for all reasonable and properly documented expenses you incur in performing you role. You should submit any details of expenses incurred to the Company Secretary.

13 During the Appointment, circumstances may arise in the furtherance of your duties as Non-Executive, Independent Director when it will be appropriate for you to seek advice from

independent advisors at the Company's expense. The Company will reimburse the entire expenses at actual.

Other directorship and business interests

- 14 The Company acknowledges that you may have business interests other than those of the Company and that you have declared any conflicts that are apparent at present. In the event that you become aware of any potential conflicts of interest, these should be disclosed to the Chairman and Company Secretary as soon as they become apparent.
- 15 During the Appointment you must consult with the Chairman prior to accepting any other (or further) directorship of publicly quoted companies or any major external appointments.

Code of Conduct & other compliances

- 16 During the Appointment you will comply with Schedule IV (Code for Independent Director) of the Companies Act, 2013 and such other requirements as the Board of Directors may from time to time specify. For your ready reference, the relevant provisions have been extracted and attached to this letter at **Annexure - A**.

Confidentiality

- 17 You must apply the highest standards of confidentiality and not disclose to any person or company (whether during the course of the Appointment or at any time after its termination) any confidential information concerning the Company, any group Companies with which you come into contact by virtue of your position as Non-Executive, Independent Director of the Company.
- 18 Your attention is drawn to the requirements under both legislation and regulation as to the disclosure of price-sensitive information. Consequently you should avoid making any statements that might risk a breach of these requirements without prior clearance from the Chairman or Company Secretary.
- 19 On termination of the Appointment you will deliver to the Company all books, document, papers and other property of or relating to the business of the Company which are in your possession, custody or power by virtue of your position as a Non-Executive, Independent Director of the Company. The Company is able to arrange the disposal of papers that you no longer require.

Performance Review Process

- 20 The Board of Directors will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis as per Company's Policy. If, in the interim, there are any matters arising in connection with you role as a Non-Executive, Independent Director which cause you concern, you should discuss them with the Chairman or Company Secretary as soon as is appropriate.
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Insurance

- 21 Presently, Company doesn't have any Directors' and Officers' liability insurance, however, if in future Company opt for taking such insurance policy, it will be endeavor of the Company to cover you for the full term of your appointment.

Training of the Board

- 22 The Company will conduct training(s) for the Independent Directors of the Company as may be required from time to time, in compliance with the provisions of the Companies Act and the Rules made thereunder.

Changes of personal details

- 23 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.

Publication of letter of appointment

- 24 In terms of the provisions of the Companies Act, 2013, the Company will make public the terms and conditions of your appointment and also display the appointment letter along with your detailed profile to the Company's website and will also arrange for your individual letter of appointment to be on display at the Company's Annual General Meeting.

This letter is governed by, and shall be construed in accordance with, the laws of India, and the parties agree to submit to the exclusive jurisdiction of the court of Jaipur.

This letter constitutes neither a contract for services nor a service contract.

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.

Thanking You

Yours sincerely

**For & on behalf of
Derewala Industries Limited
(Formerly known as Derewala Jewellery Industries Limited)**

(_____)

(_____)

DIN:_____

AGREE AND ACCEPT

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

(_____)
DIN: _____

Date:
Place:

DRAFT

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;
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- (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;
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- (12) acting within his 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.
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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 a period of not more than one hundred and eighty days 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 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.
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DUTIES OF DIRECTORS AS PER SECTION 166 OF COMPANIES ACT, 2013

- (1) Subject to the provisions of this Act, a director of a company shall act in accordance with the articles of the company.
 - (2) A director of a company 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.
 - (3) A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
 - (4) A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
 - (5) A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
 - (6) A director of a company shall not assign his office and any assignment so made shall be void.
 - (7) If a director of the company contravenes the provisions of this section such director shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.
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