

## **APPOINTMENT LETTER OF INDEPENDENT DIRECTOR**

Dear Sir/Madam,

### **SUBJECT: APPOINTMENT AS AN INDEPENDENT DIRECTOR**

I am pleased to confirm that the Board of Directors of Qness Corp Limited (“the Company”) has resolved to appoint you as an Independent Director of the Company and the shareholders of the Company have approved your appointment at their general meeting held on 23<sup>rd</sup> December 2015.

You are requested to please sign and return the attached copy in acknowledged copy in return.

### **Term of appointment**

Your appointment will be for the period of 05 (five) years until the conclusion of Annual General Meeting to be held in the year 2020.

### **Meetings and time involvement**

1. You are requested to attend all Board and Committee meetings. At present there are four to six board meetings along with the Audit Committee and other committee meetings per year, but there could be some more, when the situations so warrant.
2. You are requested to attend all general meetings of the Company as a Chairman of the CSR Committee and as a member of the Audit Committee and Stakeholders Relationship Committee.
3. 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 and hence you are requested to attend all such meetings whenever called for.

### **Remuneration & Expenses**

You will be entitled to remuneration as per the provisions of Section 197 of the Companies Act, 2013.

- Sitting fee: Rs.50, 000/- pper Board Meeting & Rs.25, 000/- per Committee Meeting and it depends on the numberer of Board and Committee meetings attenddeed physically or through video-conferencece.
- Profit based Fixed Remuneration: As approved by the shareholders at their meeting earlier held on 26<sup>th</sup> May 2014 approved for a commission payable to independent directors for not exceeding 1(one) % of the net profits of the Company. Within the aforesaid limits approved, the Shareholders at their meeting held on 23<sup>rd</sup> December 2015 approved for a fixed remuneration payable to each independent director for an amount of Rs.7,50,000/- per annum.

### **Independence and Code of Conduct**

The Board of Directors of the Company adopted the Code of Conduct and Ethics at their meeting held on 22<sup>nd</sup> May 2015 and the same is enclosed with this letter for your reference and records. Please note that you need to comply with the requirements as stated in the Code. You are also requested to take note of the guidelines given by the Companies Act, 2013 under Schedule IV referring to as Code for Independent Directors which is also enclosed for your reference and records.

## **Fiduciary Duties**

You shall:

- Act in best long term interests of all shareholders/stakeholders of the Company.
- Act without any conflict and always put the interests of the Company as Paramount.
- Make informed decisions and exercise due care and diligence in overseeing the management of business of the Company.

In compliance with the requirements of the Companies Act 2013, you are required to make certain disclosures related to and/or which might affect your role as a Director. These include:

- Giving notice to the Board of any relevant or material personal interest or conflict in relation to the affairs or business of the Company.
- Promptly advising details of any interests or changes thereto, in the Company's Securities.
- Change in your directorships and shareholdings if any

Acceptance of this letter indicates that you have read and understood the Code of conduct. You will be required to affirm compliance with the code on an annual basis.

## **Other Directorships**

- We request you to inform the Chairperson on accepting Directorships of other Companies.
- Should you retire/resign from the Board of Quess Corp Limited., we request you not to accept Directorships for a period of one year, of corporate and other entities which are in direct competition with the Company.

## **Director's Performance Review**

Your role in the Board will be subject to review. The review process will be performed on a yearly basis as per the Nomination and remuneration Policy recommended by the Nomination and remuneration Committee of the Board.

## **Deed of Indemnity**

Under the Articles of Association, you have certain rights regarding access to the Company's documents and the right to be indemnified for certain liabilities arising from exercising duties as a Director.

## **Directors' Insurance**

The Company maintains Directors & Officers (D&O) Insurance for its Board members.

## **Independent Advice**

In consultation with the Chairperson, you may seek independent professional advice, at the Company's expense, on any matter connected with the discharge of your responsibilities as a Director. Copies of this advice may be made available to and for the benefit of all board members.

**Confidentiality**

In your role as a Director you will be in possession of confidential information about the Company and its affairs. You may only use that information in the proper performance of your duties or as required by law; you must not use it to gain advantage for yourself or others, or to the detriment of the Company.

We look forward to your acceptance of the abovementioned offer.

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Chairman -Nomination and Remuneration Committee of the Board

Quess Corp Limited

Accepted

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Director

### **Schedule IV to the Companies Act, 2013- Code to Independent Directors**

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfillment 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 behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (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.

#### 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.