



Date:

Name of a Director

Dear Sir,

Sub: Appointment letter as an Independent Director

I am pleased to inform you about your appointment as an Independent Director on our Board pursuant to the recommendation of the Nomination and Remuneration Committee, approval of the Board of Directors at their meetings held _____ and the Shareholders at their __ Annual General Meeting held on _____ and further in pursuance of the provisions of Section 149, 150, 152 and all other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 (the Act) as well as the Listing Agreement. This letter of appointment broadly sets out the terms and conditions covering your appointment which are as follows:

1. APPOINTMENT

- a) You are appointed as a Non-Executive Independent Director on the Board of Directors of the Company for a period of five years with effect from _____ to _____. Your appointment is subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013 and the Listing Agreement.
- b) The term Independent Director should be construed as defined under the Companies Act, 2013, Schedule IV and the Listing Agreement. (A copy of Schedule IV is annexed to this letter for your reference and record.
- c) During your tenure, you will **not** retire by rotation.
- d) As an Independent Director, you will be paid sitting fees for attending the meetings of Board and Committee, reimbursement of expenses for participation in the Board and Committee Meetings.

2. FREQUENCY AND LOCATION OF BOARD & COMMITTEE MEETINGS AND TIME COMMITMENT

a) As an Independent Director you are expected to bring objectivity and independence of view to the Board's discussions.

You are expected to help provide the Board with effective leadership in relation to the Company's strategy, performance and risk management as well as ensuring high standards of financial probity and corporate governance.

The Board meets atleast 4(four) times in a year (once in each quarter) and may hold additional meetings, if required.

The Audit Committee also meets four times in a year (once in each quarter). Besides, there are other Committee meetings like **NOMINATION AND REMUNERATION COMMITTEE, STAKEHOLDERS RELATIONSHIP COMMITTEE AND SECURITIES TRANSFER COMMITTEE MEETINGS** which are need based and ordinarily convened once in a year.

Ordinarily, all the meetings are held at the Company's Registered Office in Mumbai.

b) In addition to the Board meetings, you will have to provide time for the meeting of Committees of which you are member, preparatory work and ensure that you are in a position to make the necessary overall time commitment.

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

d) By accepting this appointment, you confirm that you will be able to allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.

3. ROLE AND DUTIES:

Your role and duties will be those normally required of an Independent Director under the Companies Act, 2013 and the Listing Agreement. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:

- a) You shall act in accordance with the Company's Articles of Association.
- b) 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 interest of the Company, its employees, the shareholders, the community and for the protection of environment.
- c) You shall discharge your duties with due and reasonable care, skill and diligence and shall exercise independent judgement.
- d) 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. Please refer to Clause 5 on conflict of interest.
- e) You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
- f) You shall not assign your office as Director and any assignments if made shall be void-ab-initio.
- g) You shall abide by the Code of Conduct for Non-Executive Directors laid down by the Company in compliance with amended Clause 49 of the Listing Agreement. In addition to the above requirements applicable to all Directors, the role of the Non-Executive Director has the following key elements :

Strategy: Non-Executive Directors should help to develop proposals on strategy;

Performance: Non-Executive Directors should scrutinize the performance of management in meeting agreed goals and objectives;

Risk: Non-Executive Directors should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;

People: Non-Executive Directors are responsible for determining appropriate levels of remuneration of Executive Directors and have a prime role in appointing, and where necessary, removing Executive Directors and in succession planning;

Reporting: Non-Executive Directors take responsibility for the processes for accurately reporting on performance and the financial position of the Company;

Compliance: Non-Executive Directors should keep governance and compliance with the applicable legislation and regulations under review and the conformity of the Company practices to accepted norms.

4. BOARD AND INDIVIDUAL DIRECTOR EVALUATION PROCESS

The performance of the Board as a whole, its Committees and individual Directors will be evaluated annually. If, in the meantime, there are any matters which



cause you concern about your role, you should discuss them with the Chairman of the Board at appropriate time.

5. CONFLICT OF INTEREST

a) It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to your appointment commencing, you are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment.

b) In the event that your circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgement that you are independent, this should be disclosed to both the Chairman and the Secretary.

6. CONFIDENTIALITY

All information acquired during your appointment is confidential to the Company and should not be released, either during your appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman unless required by law or by the rules of any Stock Exchange or regulatory body.

Your attention is also drawn to the requirements under the applicable regulations and the Company's Code of Conduct for Prevention of Insider Trading which concern the disclosure of price sensitive information and dealing in the securities of the Company. Consequently you should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Chairman.

7. EVALUATION

The Company has adopted a policy on Board Evaluation. The policy provides for evaluation of the Board, the Committees of the Board and individual Directors, including the Chairman of the Board. As per the Policy, the Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis. Your appointment and re-appointment on the Board shall subject to the outcome of the yearly evaluation process.

8. INSURANCE

The Company has taken a Directors' and Officers' liability insurance policy for its Directors including Executives and Officers. It is intended that the Company will assume and maintain such cover during term of your appointment.



9. DISCLOSURE OF INTEREST

The Company is required to include in its Annual Accounts a note of any material interest that a Director may have in any transaction or arrangement that the Company has entered into. Such interest should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record your interest appropriately and Company's records are updated. A general notice that you are interested in any contract with a particular person, firm or company will be required to be given to the Company in accordance with the Act.

10. CESSATION

a) You may resign from your position at any time should you wish to do so. In that event you are requested to send a written intimation to the Board.

b) Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013 and the Articles of Association of the Company, from time to time in force. You will **NOT** be entitled to compensation if the shareholders do not re-elect you at any time.

c) Your appointment may also be terminated in accordance with the provisions of the Act and Articles of Association of the Company from time to time in force. This letter of appointment is governed by and will be interpreted in accordance with Indian law and your engagement shall be subject to the jurisdiction of the Indian courts.

Kindly confirm your acceptance of appointment as a Non-Executive Independent Director of the Company by signing and returning the duplicate copy of this letter.

For **MELSTAR INFORMATION TECHNOLOGIES LIMITED**

(VIJAY MODI)
Company Secretary

(ANIL KORPE)
Chief Financial Officer

I hereby acknowledge receipt of and accept the terms set out in this letter.

Signature: _____

Date: _____

Registered / Corporate Office:
Melstar House, G-4, M.I.D.C.
Cross Road "A", Andheri (East),
Mumbai 400 093, INDIA.
Phone : +91(22) 4056 6464
Fax : +91(22) 2831 0520
URL : www.melstar.com