

[*] (Insert date)

[*] (Insert Name of the Director)

[*] (Insert Address)

Dear Sir/Madam,

We are pleased to inform you that pursuant to the provisions of Section 149 and Schedule V of the Companies Act, 2013, the Board of Directors of Panchmahal Steel Limited, has appointed yourself as an Independent Director of the Company.

The purpose of this letter is to inform you about the new provisions related to the Independent Director (ID) introduced under the Companies Act, 2013. The Act specifically defines the roles, duties, liabilities and the manner of appointment of Independent Directors on the Board and various Committees of the Company. The newly enacted Companies Act, 2013 and the recent amendment by SEBI to the Listing Agreement require that a company should issue an appointment letter to all its Independent Directors.

1. Terms of Office

Your appointment has been made for a term of 5 years upto [*] (Insert Date). Your appointment is subject to the confirmation by the shareholders in the general meeting. You shall not be liable to retire by rotation as per the relevant provisions of the Companies Act, 2013 and the Listing Agreement.

2. Commitments

As an Independent Director, you will be expected to devote such time as is necessary for the proper performance of your duties and as an Independent Director you will be involved in the Board and Committees Meetings each year. You should strive to attend all the scheduled quarterly Board Meetings, General Meetings and Committee Meetings.

As an Independent Director you should endeavor to hold and present in at least one meeting in a year without the presence of non-independent director and members of management with the sole objective of:

- 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 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.

The Company shall provide you with adequate notice of the dates of proposed board meetings, general meetings and committee meetings. As per the provisions of the Companies Act, 2013, the company is expected to give you an advance notice of minimum 7 days of every board and committee meetings.

3. Disclosures

You shall be required to submit certain information in the prescribed forms on a defined periodicity. The Company Secretary shall be the coordinating officer for the said purpose.

You are required to disclose to the Company your interest and any matters (excluding those matters which may be subject to legal professional privilege) which effect your independence.

During your tenure as Independent Director, you are required to give a declaration that you meet the criteria of independent every financial year as provided under Section 149 of the Companies Act, 2013.

4. Directors Fee

You shall be paid a sitting fee as decided by the Board from time to time for attending each meeting of the Board as well as the Committee meetings attended by you, as per the provisions of Section 197 of the Companies Act, 2013 and the Articles of Association of the Company.

The Company shall reimburse you all travelling, hotel and other incidental expenses properly and reasonably incurred by you in performance of duties as per the provisions of the Companies Act, 2013 in conjunction with the Company rules and policies.

As an Independent Director, you shall not be entitled to any stock option and shall not be covered by any pension scheme.

5. Code of Independent Directors, Code of Conduct for Directors and Code of Conduct for Prevention of Insider Trading for Employees, including Directors.

You are required to abide by the Code of Independent Directors, Code of Conduct for Directors and Code of Conduct for Prevention of Insider Trading for Employees, including Directors, as issued by the Company.

We hope to sail smoothly and look forward for your valuable contribution to the growth of the Company.

Thanking you,

Yours faithfully,
For **Panchmahal Steel Limited**

Chairman & Managing Director