



JCT LIMITED

Corporate Office: 305, 3rd Floor, Rattan Jyoti, 18 Rajendra Place, New Delhi-110008
Phone: 91-11-46290000; Fax: 25812222
Website: www.jct.co.in; E-mail: jctsecretarial@jctltd.com

Date:

NAME & ADDRESS OF THE DIRECTOR

.....

Dear Sir/Madam,

Sub: Appointment as Independent Director

We are pleased to inform you that upon the recommendation of the Nomination & Remuneration Committee, the Board of Directors ("the Board") has approved your appointment as an Independent Director of the Company ("Independent Director"). This letter sets out the terms of your appointment.

1. Appointment

In accordance with the provisions of the Companies Act, 2013 ("the Act") and other applicable laws, you will serve as an Independent Director of the Board till (.....). Your appointment is subject to the approval of shareholders at the General Meeting of the Company scheduled to be held on or before (Day) of(Month)..... (Year)

2. Board Committees

As advised by the Board, during the tenure of your office, you may be required to serve on one or more of the Committees of the Board. Upon your appointment to any one or more Committees, you will be provided with the appropriate Committee charter which sets out the functions of that Committee.

Currently, the board has four Committees: Audit, Nomination & Remuneration, Risk Management and Stakeholders Relationship Committee. The board is responsible for constituting, assigning, co-opting and fixing terms of service for Committee members. The Chairperson of the board, in consultation with the Company Secretary and the Committee Chairperson, determines the frequency and duration of the Committee meetings. Normally, the Committees meet four times a year. Recommendations of the Committees are to be submitted to the Board for approval. The quorum of the Committees shall be 1/3rd of the total number of members subject to minimum two members.

You have been nominated to serve on the following Committees-

- 1.....
- 2.....
- 3.....



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3. Role/Scope of Work of Committees

A) Audit Committee

The Audit Committee has the full power and authority to monitor and provide effective supervision of the financial reporting processes, personnel associated with such processes including external and internal auditors and officers of the Company, and the financial controls and systems to ensure integrity of the financial condition of the Company and accurate and timely disclosures.

B) Nomination & Remuneration Committee

The purpose of this Committee is to oversee succession planning of the Board Chair, , CEO and other executive officers of the Company. This Committee is also vested with the powers to identify, review and recommend to the board new independent directors, executive directors and non-executive directors.

C) Stakeholders Grievance Committee

This Committee looks into the redressal of complaints of Investor.

D) Risk Management Committee

The purpose of this Committee is to identify strategic and operational risk to the Company's business and suggest timely remedial measures to the Board for effective management of such risk.

4. Professional Conduct

As an Independent Director, you shall:

- (a) Uphold ethical standards of integrity and probity;
- (b) act objectively and constructively while exercising your duties;
- (c) exercise your responsibilities in a bona fide manner in the interest of the Company
- (d) devote sufficient time and attention to your professional obligations for informed and balanced decision-making
- (e) not allow any extraneous considerations that may vitiate your 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



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- (f) not abuse your position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage of any associated person.
- (g) Refrain from any action that could lead to a loss of your independence;
- (h) Ensure that if circumstances arise under which you may lose your independence, you will immediately inform the Board accordingly;
- (i) Assist the Company in implementing the best corporate practices.

5. Functions, Responsibilities and Duties of Directors

Functions

- (a) To review the Company's strategy, the annual financial plan and monitor the Company's performance
- (b) To review management performance and compensation
- (c) To review and decide on succession planning of executive officers of the Company
- (d) To advice and counsel the Management
- (e) To monitor and manage potential conflicts of interests of the management.
- (f) To oversee and ensure the integrity of financial information and legal compliance

Responsibilities

Independent directors have the same general legal responsibilities to the Company as that of any other director. The Board, as a whole, is collectively responsible for ensuring the success of the Company by directing and supervising the Company's affairs.

The Board:

- (a) Provides entrepreneurial leadership of the Company within a framework of prudent and effective controls which enable risk to be assessed and managed;
- (b) Sets the Company's strategic aims, ensures that the necessary financial and human resource requirements are in place for the Company to meet its objectives, and review management performance;
- (c) Sets the Company's values and standards, ensures that its obligations to its shareholders and others are understood and met by the Company.



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Duties

As an Independent Director, you shall:

- a. You shall act in accordance with the Company's Articles of Association.
- b. You shall act in good faith, for the benefit of its members as a whole, and in the best interest of the Company.
- c. You shall discharge your duties with due and reasonable care, skill and diligence. 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.
- d. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
- e. You shall not assign your office as Director and any assignments so made shall be void.
- f. Undertake the appropriate induction into the Board and regularly update and refresh your skills, knowledge and familiarity with the Company
- g. Strive to attend every meeting of the Board and of the board Committees of which you are a member;
- h. Actively and constructively participate in the Board Committees of the board in which you may be a member or a Chairperson;
- i. Keep yourself well informed about the Company and the external environment in which it operates;
- j. Ensure that related party transactions are considered carefully before they are approved are in the interest of the Company;
- k. Ensure that the whistler blower function of the Company is functioning adequately;
- l. Report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics;
- m. Not disclose any confidential information unless such disclosure is expressly approved by the Board or required by law.

6. Fees

As an Independent Director you shall be paid sitting fees for attending the meetings of the Board and the Committees of which you are a member as may be decided by the Board and/or stipulated under the provisions of the Act. The compensation of the non-executive/independent directors is approved by the Board. The total compensation payable to the entire group of non-executive/independent directors is limited to a fixed amount per year determined by the board. This amount shall not exceed 1% of the net profits of the Company for the year calculated as per provisions of the Companies Act, 2013.



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In addition to the above, non-executive/independent directors would be entitled to the reimbursement of only the items of expenditure that may be incurred in traveling to the place of the Board / Committee meeting.

7. **Term**

Your appointment will be for an initial term upto (..... years.) unless terminated earlier or extended, as per the provisions of the Act. As an Independent Director your office will not be liable to retire by rotation.

8. **Induction and Development**

The Company shall, conduct formal Induction Program for its Independent Directors. The Company shall, as may be required, support Directors to continuously update their skills and knowledge and improve their familiarity with the Company and its Business.

9. **Performance Appraisal/ Evaluation Process**

As a member of the Board, your performance as well as the performance of the entire Board and its Committee shall be evaluated annually. Evaluation of each Director shall be done by all other Directors. An indicative list of factors that may be evaluated as part of this exercise are:

- Independence of Behaviours and judgment
- Integrity and maintenance of confidentiality
- Participation and contribution by Director
- Impact and Influence

10. **Disclosure, other directorship and business Interest**

During the term, you agree to promptly notify the Company of any change in your directorship in other companies, and provide such other disclosure 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 an Independent Director of the Company, you shall promptly disclose the same.

11. **Termination**

Your Directorship on the Board of the Company shall terminate or cease in accordance with the provisions of the Act . You may resign from the Directorship of the Company by giving a notice in writing to the Company stating the reason for resignation.



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12. Acceptance of Appointment

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.

We look forward to your association with us.

Yours sincerely

For JCT Limited

Chairman

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

Signed

Dated