

Dear [ ],

***Sub: Appointment as Independent Director***

We are pleased to inform you that at the [ ] Annual General Meeting of the Company held on [ ], the shareholders have approved your appointment as an Independent Director of the Company with effect from [ ].

This letter is being issued to comply with the requirements of Schedule IV to the 2013 Act, pertaining to the Code of Independent Directors and SEBI LODR.

This letter sets out the broad terms of your appointment as an Independent Director, on the Board of the Company.

The terms of your appointment, as set out in this letter, are subject to the extant provisions of the applicable laws, including 2013 Act and SEBI LODR (as amended from time to time).

**1. Appointment**

Your appointment will be for a term of [ ] years commencing from [ ] (“Term”). As an Independent Director, you will not be liable to retire by rotation.

Reappointment at the end of the Term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the shareholders. Your reappointment would be considered based on the outcome of the performance evaluation process and you continuing to meet the independence criteria.

You may be requested to be a Member/Chairperson of any one or more Committees of the Board which may be constituted from time to time.

**2. Role, duties and responsibilities**

A. As member of the Board you along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:

- Requirements under the Companies Act, 2013,
- Responsibilities of the Board of directors as outlined in the SEBI LODR,
- Accountability under the Director’s Responsibility Statement, and

B. You shall abide by the “Code For Independent Directors” as outlined in Schedule IV of the 2013 Act, Code for Non-Executive Directors, as adopted by the Board and duties of directors as provided in the 2013 Act (including Section 166) and in SEBI LODR.

C. You are particularly requested to provide guidance in your area of expertise.

**3. Time Commitment**

Considering the nature of the role of a director, it is difficult for a company to lay down specific parameters on time commitment. You agree to devote such time as is prudent and necessary for the proper performance of your role, duties and responsibilities as an Independent Director.

**4. Remuneration**

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. The sitting fees for attending each meeting of the Board and its Committees would be as determined by the Board from time to time.

In addition to the sitting fees, commission that may be determined by the Board may also be payable to you. In determining the amount of this commission, the Board supported by the Nomination and Remuneration Committee may consider performance of the Company and your performance as evaluated by the Board.

Further, the Company may pay or reimburse to you such expenditure, as may have been incurred by you while performing your role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by you for accommodation, travel and any out of pocket expenses for attending Board/ Committee meetings, General Meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the Company for Directors) and in obtaining professional advice from independent advisors in the furtherance of your duties as an Independent Director, subject to the expense being reasonable.

## **5. Insurance**

The Company has an appropriate “Directors and Officers “Liability Insurance policy and pay the premiums for the same. It is intended to maintain such insurance cover for the Term of your reappointment, subject to the terms of such policy in force from time to time.

## **6. Code of Conduct**

Independent Directors is required to comply with regulations as contained in Schedule IV under Companies Act 2013, in addition to the following Codes of Conducts

- Code of Conduct for Board of Directors and Senior Management Personnel
- Code of Conduct for Prevention of Insider Trading in Securities of the Company

## **7. Training and Development**

The Company, shall, if required, conduct training programs, from time to time, as deemed fit for its Independent Directors which may include any or all of the following:

- Board roles and responsibilities, whilst seeking to build working relationship among the Boardmembers,
- Company’s vision, strategic direction, core values, ethics and corporate governance practices,
- Familiarization with financial matters, management team and business operations,
- Meetings with stakeholders, visits to business locations and meetings with senior and middle management.

The Company, as may be required, may support Directors to continually update their skills and knowledge and improve their familiarity with the company and its business. The Company will fund/arrange for training on all matters which are common to the whole Board.

## **8. Performance Appraisal / Evaluation Process**

As a member of the Board, your performance as well as the performance of the entire Board and its Committees will be evaluated annually. Evaluation of each director shall be done by all the other directors. The criteria for evaluation shall be disclosed in the Company’s Annual Report. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committee.

## **9. Disclosures, other directorships and business interests**

During the Term, you agree to promptly notify the Company of any change in your directorships, and provide such other disclosures 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 Independent Director of the Company, you shall promptly disclose the same to the Chairman and the Company Secretary. By signing this letter, you hereby confirm that as on date of this letter, you have no such conflict of interest issues with your existing directorships.

During your Term, you agree to provide a declaration under Section 149(7) of the 2013 Act and Regulation 25(8) of SEBI LODR confirming that you meet the criteria of independence as provided in Section 149(6) of the 2013 Act and Regulation 16(1)(b) of SEBI LODR and that you are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact your ability to discharge your duties with an objective independent judgment and without any external influence. This declaration shall be submitted at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect your status as an Independent Director.

#### **10. Changes of personal details**

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.

#### **11. Disengagement**

You may resign from the directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation. The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by you in the notice, whichever is later.

Your directorship on the Board of the Company shall cease in accordance with prevailing law. The Company may disengage Independent Directors prior to completion of Term upon violation of Code of Conduct as applicable to Non-Executive Directors or for violation of duties of Independent Director as envisaged under law. Further, the Company may disengage Independent Directors prior to completion of their Term subject to compliance with relevant provisions of the 2013 Act.

If at any stage during the Term, there is a change that may affect your status as an Independent Director as envisaged in Section 149(6) of the 2013 Act read with the rules framed thereunder or Regulation 16(1)(b) of SEBI LODR, you agree to promptly submit your resignation to the Company with effect from the date of such change.

#### **12. Miscellaneous**

The terms of this letter shall be disclosed on the website of the Company.

#### **13. Acceptance of Appointment**

Please confirm your acceptance of the above terms by signing and returning the enclosed duplicate copy of this letter.

We thank you for your continued support and commitment to the Company.

Yours sincerely,

**For Panama Petrochem Limited**

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Name: [ ]

Designation: [ ]

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#### **AGREE AND ACCEPT**

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

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Name: [ ]

Place: [ ]

Date: [ ]