

(On the Letterhead of the Company)

**SAMPLE LETTER OF APPOINTMENT ISSUED TO INDEPENDENT DIRECTORS**

(Pursuant to schedule IV of the Companies Act, 2013)

Reference Number:

Date:

Name of the Director

Dear Sir,

**Sub: Appointment as an Independent Director on the Board of NSDL e-Gov**

We are pleased to inform you that upon the recommendation of the Nomination and Remuneration Committee and the Board, the members at their meeting held on \_\_\_\_\_ have approved your appointment as an Independent Director on the Board of NSDL e-Governance Infrastructure Limited (“NSDL e-Gov” or “the Company”) under the relevant provisions of the Companies Act, 2013.

We are sure that the Board will continue to benefit immensely from your rich knowledge and valuable experience.

This letter sets out the main terms of your appointment as follows:

**1. Compliance of eligibility criteria**

1.1 As per the declaration dated \_\_\_\_\_ provided by you (**copy enclosed**), it is noted that you meet the criteria of being appointed as an Independent Director of the Company in terms of the provisions of Section 149 of the Companies Act, 2013 and Rules notified thereunder from time to time.

1.2 You shall on a yearly basis declare to the company that you continue to meet these eligibility criteria.

1.3 In case of happening of any event, if you cease to meet the eligibility criteria for Independent Director, you shall promptly inform the

(On the Letterhead of the Company)  
company of the same and shall cease to become an Independent Director  
of the Company.

## **2. Term of appointment:**

2.1 The members of NSDL e-Gov at the Nineteenth Annual General Meeting of the Company held on \_\_\_\_\_ have appointed you as an Independent Director on the Board of NSDL e-Gov under section 149, 152 and other applicable provisions of the Companies Act, 2013 and Rules notified thereunder, read with Schedule IV to the Act, as amended from time to time.

2.2 You shall hold office for a term of \_\_\_\_\_ years w.e.f \_\_\_\_\_ and shall not be liable to retire by rotation.

2.3 Upon completion of the initial term of \_\_\_\_\_ years, your appointment as Independent Director can be renewed for another term if so recommended by the Nomination and Remuneration Committee and approved by the Board subject to relevant provisions of the Companies Act, 2013 and Rules notified thereunder. Any term of renewal shall be subject to approval of the shareholders in the General Meeting.

2.4 If your appointment is not so renewed, then upon completion of initial term it shall terminate automatically, with immediate effect and without compensation.

2.5 Continuation of your appointment is also contingent on satisfactory performance and any relevant statutory provisions relating to the removal of a director / vacation of office / disqualification of director.

## **3. Expectation of the Board**

3.1 The Board expects your active participation by providing vision and expert direction which will enable the company to achieve excellent performance and growth.

(On the Letterhead of the Company)

- 3.2 You may be required to serve on one or more committees of the Board. You will be provided with the relevant terms of reference on your appointment to such a committee. Any such appointment will be covered in a separate communication.
- 3.3 It is expected that taking into account all other commitments you may have, you are able to, and will, devote sufficient time to your duties as a non-executive independent director.

#### **4. Duties and Responsibilities**

- 4.1 You will be expected to perform your duties, whether statutory or fiduciary, faithfully, efficiently and diligently to a standard commensurate with both the functions of your role and your knowledge, skills and experience.
- 4.2 You are expected to abide by the provisions specified in Schedule IV under Section 149(8) along with the provisions of section 166 of the Companies Act, 2013. A copy of these provisions are enclosed and marked as **Exhibit I** for ready reference.
- 4.3 You will disclose any direct or indirect interest which you may have in any matter being considered at a board meeting or committee meeting and you will not vote on any resolution of the Board, or of one of its committees, on any matter where you have any direct or indirect interest.
- 4.4 Unless specifically authorised to do so by the Board, you will not enter into any legal or other commitment or contract on behalf of the Company.

#### **5. Remuneration**

- 5.1 Subject to the provisions of sections 197 and 198 of the Companies Act, 2013 you will be entitled to sitting fees, reimbursement of expenses for participation in the Board, other committee meetings and meetings of

(On the Letterhead of the Company)

Independent Directors and profit related commission as may be approved by the shareholders.

5.2 Unless otherwise informed from our side, a sitting fee of Rs. 50,000 shall be payable to you for attending each meeting of the Board and meetings of Independent Directors.

5.3 In case you are appointed to a Committee constituted by the Board, the sitting fee payable for attending the meeting of the Committee shall be communicated separately.

5.4 The shareholders have decided to grant a commission of 1% of the net profit after tax of the company for every year till FY' 17, to be distributed equally amongst the non-executive directors.

5.5 The Company will reimburse all reasonable and properly-documented expenses you incur in performing duties of your office.

5.6 All fees / commission etc will be paid by way of a cheque drawn in your favour/ direct credit to your bank account and are subject to income tax and other statutory deductions.

## **6. Code of Conduct and Ethics**

6.1 The Company expects its independent directors to strictly adhere to the code prescribed under schedule IV of Section 149 (8) of Companies Act, 2013. The said Code forms part of this appointment letter and is enclosed for your reference.

6.2 The Board has approved a Code of Ethics for Directors and Employees of the Company. A copy of the same is enclosed and marked as **Exhibit II**. You are expected to ensure compliance of the same.

(On the Letterhead of the Company)

6.3 You acknowledge that all information acquired during your appointment is confidential to the Company and should not be released, communicated, nor disclosed either during your appointment or following termination (by whatever means), to third parties without prior clearance from the company. This restriction shall cease to apply to any confidential information which may (other than by reason of your breach) become available to the public generally.

6.4 You acknowledge the need to hold and retain company information (in whatever format you may receive it) under appropriately secure conditions.

## **7. Review process**

7.1 The performance of individual directors and the whole Board and its committees shall be evaluated annually.

7.2 Any proposal of re-appointment of independent director shall be on the basis of report of performance evaluation.

## **8. Changes to personal details**

Any changes in address or other personal contact details may please be advised to the Company Secretary promptly.

## **9. Provision for Directors' and Officers' (D and O) insurance**

You will be covered under Directors' and Officers' (D and O) insurance policy obtained by the company. Salient features of the current Policy is enclosed and marked as **Exhibit III** for your ready reference.

## **10. Resignation of director**

10.1 A Director may resign from his office by giving a notice in writing to the company and the Board shall on receipt of such notice take note of the same

(On the Letterhead of the Company)  
and the company shall intimate the Registrar as required under Companies Act, 2013.

10.2 The director shall also forward a copy of his resignation along with detailed reasons for the resignation to the Registrar within thirty days of resignation.

10.3 Resignation of a director shall take effect from the date on which the notice is received by the company or the date, if any, specified by the director in the notice, whichever is later.

## **11. Schedule of Meetings**

The Company Secretariat will provide to you the schedule of forthcoming meetings.

Looking forward for a mutually satisfying association with you.

Yours sincerely

**For NSDL e-Governance Infrastructure Ltd**

**Chairman/ MD & CEO**

Encl: a/a