

(On the letter head of the Company)

**Draft letter of appointment of Director/Independent Director**

To

The Director

Address:

**Sub: Appointment as an Independent Director**

Dear Sir/Madam,

We are pleased to inform you that the Shareholders of Monte Carlo Fashions Limited (hereinafter referred to as the '**Company**') has approved your appointment as an Independent Director on the Board of the Company in pursuance to the provisions of the Companies Act, 2013 (herein referred to as the '**Act**'). This letter sets out the terms of your appointment.

**1. Term of Appointment:**

In accordance with provisions of Act and other applicable laws, you will serve as an Independent Director on the board of the company for a term up to five consecutive years.

**2. Professional Conduct:**

With reference to your directorship, 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 bonafide 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 will 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;
- 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 for any associated person;
- g) refrain from any action that would lead to 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 governance practices.

**3. Board Committees:**

As approved by the board, you will be serving on the following committee of the board constituted by the company and / or on any other committee which the board may decide.

**4. Role and functions:**

As an independent director you shall:

- 1) help in bringing an independent judgment to bear on the board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- 2) bring an objective view in the evaluation of the performance of board and management;

- 3) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- 4) satisfy yourself on the integrity of financial information and that financial controls and the systems of risk management which should be robust and defensible;
- 5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- 6) balance the conflicting interest of the stakeholders;
- 7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- 8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

#### **5. Duties:**

As an Independent Director, you shall:

- 1) undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the Company;
- 2) seek appropriate clarification and where necessary seek and follow appropriate professional advice from external experts at the expense of the company.
- 3) strive to attend all meetings of the Board of Directors and of the Board committees of which you are a member;
- 4) participate constructively and actively in the committees of the Board in which you are chairperson or member;
- 5) strive to attend the general meetings of the company;
- 6) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- 7) keep themselves well informed about the company and the external environment in which it operates;
- 8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- 10) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- 11) report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- 12) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- 13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

#### **6. Remuneration / Reimbursement of Expenses:**

As an Independent Director, you will be entitled to receive sitting fees for attending every Board Meeting as approved by the Board of Directors from time to time. In addition to above you will also be entitled to get the reimbursement of expenditure that may be incurred for your participation in the meeting.

**7. Separate Meeting:**

As per Schedule IV of Act, the Independent Directors of the company shall hold at least one meeting in a year without the attendance of non-independent directors and members of management so that they can have a full and frank discussion on the performance of the Company, risks faced by the Company, review the performance of Non-Independent Directors including the Chairperson and to assess the quality, quantity and timeliness of flow of information between the company management and the Board. Any Independent Director may preside over such meetings and you should strive to be present at such meeting.

**8. Interest in other Entities:**

It is accepted and acknowledged that you may have business interests other than those of the Company. You will disclose your concern or interest u/s 184(1), in any company or companies or bodies corporate (including shareholding interest), firms or other association of individuals, by giving a notice in writing in Form MBP-1 and Certificate of Independence as per Section 149(7). Please ensure that the Company is kept informed of any changes to your interests.

**9. Resignation and Removal:**

Your reappointment, resignation or removal shall be in the manner as provided under the provisions of Act, 2013.

**10. Confidentiality:**

All information acquired during your tenure of appointment is confidential to the Company and should not be disclosed to third party except as permitted by law and with prior clearance from the Chairman.

It is pleasure to have you on the board. We are confident that your association, expertise and advice will immensely benefit the Company and the Board.

Yours Sincerely,

**FOR MONTE CARLO FASHIONS LIMITED**

Sd/-

**CHAIRMAN & MANAGING DIRECTOR**