



**Shaily Engineering  
Plastics Limited**

CIN # L51900GJ1980PLC065554

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**SPECIMEN APPOINTMENT LETTER FOR INDEPENDENT DIRECTOR  
(Pursuant to Schedule IV of the Act)**

Mr. ....  
.....  
.....

Dear Mr. ....,

I am writing to confirm our decision to appoint you on the Board of Directors of Shaily Engineering Plastics Limited (hereinafter referred to as SEPL or the Company) with effect from ....., 20... . This letter of appointment sets out the terms and conditions covering your appointment which are as follows:

**1. Appointment**

- 1.1 You will be appointed as a Non-Executive Independent Director on the Board of Directors of SEPL with effect from ....., 20.... Your appointment is subject to approval of the Board of Directors, election and appointment by the Shareholders as per the provisions of the Companies Act, 2013. Your appointment is also subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013 and the listing agreement.
- 1.2 The term Independent Director should be construed as defined under the Companies Act, 2013 and the listing agreement.
- 1.3 The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the Listing Agreement. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. The Company is at liberty to disengage Non Executive Independent Director earlier subject to compliance of relevant provisions of Companies Act, 2013.

**2 Committees**

- 2.1 The Board of Directors (the Board) may, if it deems fit, invite you for being appointed on one or more existing Board Committees or any such Committee that is set up in the future. Your appointment on such Committee(s) will be subject to the applicable regulations. Currently, the Board has Audit Committee, Nomination and Remuneration Committee, Shareholder Grievance Committee, Corporate Social Responsibility Committee and Management committee. The Board is responsible for constituting, assigning, co-opting and fixing terms of service for committee members.
- 2.2 By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.

### **3 Duties**

3.1 Your duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 and the listing agreement. There are certain duties prescribed as under for all Non-Executive Independent Director, which are fiduciary in nature. The Independent Director shall:

- (1) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- (2) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (3) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (4) strive to attend the general meetings of the company;
- (5) 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;
- (6) keep yourselves well informed about the company and the external environment in which it operates;
- (7) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (8) 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;
- (9) 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;
- (10) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (11) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- (12) 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.

### **4. Remuneration**

You will not be an employee of the Company and this letter shall not constitute a contract of employment. You will be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board and approved by the Shareholders from time to time. In addition to the remuneration, Company will for the period of your appointment, reimburse you for travel, hotel and other incidental expenses incurred by you in the performance of your role and duties.

### **5. Evaluation**

The Company has adopted a policy on Board Evaluation. The policy provides for evaluation of the Board, the Committees of the Board and individual Directors, including the Chairman of the Board. As per the Policy, the Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis. Your appointment and re appointment on the Board shall subject to the outcome of the yearly evaluation process.

**6. Insurance**

The Company maintains a Directors and Officers insurance (D&O) policy with a limit of liability of Rs.500,00,000 to pay of the personal liability of directors and officers for claims made against them while serving on the Board and/or as an officer of the Board.

**7. Training**

Company will provide suitable training to familiarize them with company, their roles, rights responsibilities in the company, nature of the industry in which company operates, business model of the Company etc.,

**8. Retirement Policy**

- a. You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice on the Board.
- b. Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013 and the Articles of Association of the Company, from time to time in force. You will not be entitled to compensation if the shareholders do not re-elect you at any time.
- c. Your appointment may also be concluded in accordance with the provisions of the Act and rules and regulations from time to time in force.

If you are willing to accept these terms of appointment relating to your appointment as a Non executive Independent Director of SEPL, kindly confirm your acceptance of these terms by signing and returning to us the enclosed copy of this letter.

Yours sincerely,

**For and on behalf of Shaily Engineering Plastics Limited**

**Chairman**

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

Signature:

Date: