

Date: 2<sup>nd</sup> February, 2019

To,  
Mr. Y.L.Madan  
Flat No. 1101, Tower 10,  
Vipul Belmonte Golf Course Road,  
Sector – 53, Gurgaon 122002

### **APPOINTMENT LETTER**

We are pleased to confirm that the Board of the Company has re-appointed you as an Independent Director of the company subject to the approval of the Shareholders, with effect from the 1<sup>st</sup> April 2019, till 31<sup>st</sup> March, 2024. The terms of the Appointment, which shall in any event be subject to the Companies Act, 2013 & Articles of Association of the Company, are set out below:

#### **Term of Appointment:**

You are being appointed as an Independent Director of the Company from 1<sup>st</sup> April 2019 till 31<sup>st</sup> March, 2024 subject to the approval of the Shareholders at the general meeting.

#### **Expectation of the Board / Committees and the Fiduciary duties:**

##### **The Roles and functions are stated below:**

1. You shall 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. You shall bring an objective view in the evaluation of the performance of board and management;
3. You shall scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
4. You shall satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
5. You shall safeguard the interests of all stakeholders, particularly the minority shareholders;
6. You shall balance the conflicting interest of the stakeholders;
7. You shall 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. You shall moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

**Duties:**

The Duties are stated below:

1. You shall undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
2. You shall 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;
3. You shall strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
4. You shall participate constructively and actively in the committees of the Board in which they are chairpersons or members;
5. You shall strive to attend the general meetings of the company;
6. You shall where you 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. You shall keep yourselves well informed about the company and the external environment in which it operates;
8. You shall not unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
9. You shall 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. You shall 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. You shall report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
12. You shall act within your authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
13. You shall 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.

**Directors and Officers Insurance:**

The Company has Directors' and Officers' liability insurance and it is intended that the Company will maintain such cover for the full term of your appointment.

## **Code of Business Ethics:**

Enclosed

### **List of actions that you should not do while functioning:**

1. You should not be a promoter nor related to any Promoters or Directors of the Company or its holding, subsidiary or associate company.
2. You should not have pecuniary relationship with the Company its holding, subsidiary or associate company, or their promoters, or directors.
3. You should not be related to those who had pecuniary relationship or transaction with the company its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent, or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower.
4. You should not be a material supplier, service provider or customer or a lessor or lessee of the company;
5. Neither you, nor any of your relatives should hold the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
6. Neither you, nor any of your relatives should be an employee or proprietor or a partner of –
  - a. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
  - b. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent, or more of the gross turnover of such firm;
7. Neither you, nor any of your relatives should hold together two per cent, or more of total voting power of the company;
8. You should not be a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director.
9. Neither you, nor any of your relatives should be a Chief executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent, or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent, or more of the total voting power of the company;
10. You must not be disqualified as per the provisions mentioned under section 164(2) of Companies Act, 2013.

**Sitting Fees:**

You will be entitled to receive Director Sitting Fees for attending the Meeting as per the decision of the Board of Directors. You are also entitled to receive the reimbursement of the expenses incurred by you for attending the Meeting of the Board and/or Committees.

You are requested to hold at least one meeting in a year without the attendance of non-independent Directors and members of the Management wherein you are requested to:

- a. Review the performance of non-independent directors and the Board as a whole;
- b. Review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- c. Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Thanking You.

**For Ramkrishna Forgings Limited,**

Authorised Signatory

Encl.: As above.