



# PUNJAB CHEMICALS

AND CROP PROTECTION LTD.

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CIN NO. L24231CH1975PLC003603

Ref : PCCPL/

COPY

Date:

Shri M.D. Patel  
Director PCCPL  
Transpek Finance Ltd.  
1st Floor, ABS Tower  
Old Padra Road  
BARODA-390 007.

Respected Shri

**Sub: Appointment as "Independent Director".**

We thank you for your confirmation to Punjab Chemicals and Crop Protection Limited (the "Company") for meeting the "Independence" criteria as envisaged in Section 149(6) of the Companies Act, 2013 ("2013 Act") [and Clause 49 of the Listing Agreement as amended vide circular issued by Securities and Exchange Board of India ref. no. CIR/CFD/POLICY CELL/2/2014 dated April, 17, 2014 and effective from October 1, 2014] and also for your consent to hold office as an "Independent Director" of the Company.

The terms of your appointment as set out in this letter, are subject to the existing provisions of the (i) Companies Act, 2013 and Clause 49 of the Listing Agreement (as amended from time to time), and (ii) Articles of Association of the Company ("AOA").

This letter sets out the terms of your appointment as an "Independent Director", which are as follows:

## 1. Appointment

1.1 You are appointed as a Non-Executive "Independent Director" on the Board of Directors of the Company for a term of five years from the Annual General Meeting to be held on 23<sup>rd</sup> September, 2014 upto the Annual General Meeting to be held in the Calendar Year 2019. Your appointment is subject to the approval of the Board of Directors, election and appointment by the Shareholders pursuant to the provisions of the Companies Act, 2013.

Contd.....P/2

-: 2 :-

Your appointment is subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013 and the listing agreement.

As an "Independent Director" you will not be liable to retire by rotation.

- 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 the appointment and tenure of "Independent Director" which is in consistent with the Companies Act, 2013 and the Listing Agreement. Accordingly, your appointment will be governed under the Companies Act, 2013 and the Listing Agreement. The Company is at liberty to disengage Non Executive "Independent Director" earlier subject to the compliance of relevant provisions of the Companies Act, 2013.

## **2. Committees**

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.

## **3. Commitment**

As a Non-Executive Director you are expected to bring objectivity and independence of views for Board's discussions and to help the Board with effective leadership in relation to the Company's strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance.

Contd.....P/3

-: 3 :-

#### 4. 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:
- i) Compliances and meeting the requirements under the Companies Act, 2013.
  - ii) "Responsibilities of the Board" as outlined in the Corporate Governance requirements as prescribed by Stock Exchanges under Clause 49 of the Listing Agreement.
  - iii) Accountability under the Director's Responsibility Statement.
  - iv) Overseeing the maintenance of high standards of values and ethical conduct of business.
  - v) Overseeing the Company's contribution to enhance the quality of life of communities.
- B. You shall act in accordance with the Company's Articles of Association.
- C. You shall act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interest of the Company.
- D. You shall discharge your duties with due and reasonable care, skill and diligence.
- E. You shall not involve yourself in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.



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-: 4 :-

- F. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates through the Company.
- G. You shall abide by the 'Code For Independent Directors' as outlined in Schedule IV to Section 149(8) of the Companies Act, 2013 and duties of directors as provided in the Companies Act, 2013 (including Section 166) and in Clause 49 of the Listing Agreement.

#### 5. 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".

#### 6. 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 payable as follows:

- Board - Rs. 15,000/- per meeting.
- Committee - Rs. 15,000/- per meeting.

(The sitting fees is subject to change by the Board of Directors from time to time but not exceeding the ceiling prescribed under the Companies Act, 2013).

In addition to the sitting fees, profit related commission may also be payable to you. In determining the amount of this commission, the Nomination and Remuneration Committee may consider various factors as disclosed in the remuneration policy forming part of the Board's report. An indicative list of the factors that may be considered are as follows:



Contd.....P/5

-: 5 :-

- Attendance at Board Meetings.
- Attendance at Board Committee Meetings.
- Chairmanship of the Board.
- Chairmanship of Board Committees.
- Contribution at Board and Committee meetings.
  
- Guidance and support provided to the senior management of the Company.
- Industry practices.
- Performance evaluation and
- Performance of the Company.

Further, the Company may pay or reimburse to you such fair and reasonable 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 attending Board / Committee meetings, Annual General Meetings, Extraordinary General Meetings, court convened meetings, meetings with shareholders / creditors / management, site visits, induction and training (organized by the Company for Directors) and in obtaining, subject to prior consultation with the Board, professional advice from independent advisors in the furtherance of your duties as an "Independent Director".

## 7. Insurance

The Company may take 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 appointment, subject to the terms of such policy in force from time to time. A copy of the policy document will be supplied on request.

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-: 6 :-

## 8. Conflict of Interest

8.1 It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to your appointment commencing, you are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment.

8.2 In the event that your circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgment that you are independent, this should be disclosed to both the Chairman and the Secretary.

## 9. Code of Conduct

As an "Independent Director" of the Company, you agree to comply with the PCCPL Code of Conduct for Board Members and Senior Management. The same is available on the website ([www.punjabchemicals.com](http://www.punjabchemicals.com)) of the Company. However, if desired, hard copy of the same can also be obtained from the Secretarial Department of the Company.

Unless specifically authorized by the Company, you shall not disclose Company and Business information to public constituencies such as the media, the financial community, employees, shareholders, agents, franchises, dealers, distributors and importers.

You shall keep the information relating to the Company confidential.

We would also like to draw your attention to the applicability of both, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the PCCPL Code of Conduct on Prevention of Insider Trading Policy, prohibiting disclosure or use of unpublished price sensitive information.



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-: 7 :-

Additionally, you shall not participate in any business activity which might impede the application of your independent judgment in the best interest of the Company.

#### **10. Induction and Development**

The Company shall, if required, conduct formal induction program 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 Board members,
- 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 shall, as may be required, 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.

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

As a member of the Board, your performance as well as the performance of the entire Board and its Committees shall be evaluated annually. Evaluation of each director shall be done by all the other directors. The criteria for evaluation shall be determined by the Nomination and Remuneration Committee of the Company and 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. An indicative list of factors that may be evaluated as part of this exercise is:

Contd.....P/8



-: 8 :-

- Participation and contribution by a director,
- Commitment (including guidance provided to senior management outside of Board / Committee meetings),
- Effective deployment of knowledge and expertise,
- Effective management of relationship with stakeholders,
- Integrity and maintenance of confidentiality,
- Independence of behaviour and judgment, and
- Impact and influence.

#### **12. 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. Please 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 promptly provide a declaration under Section 149(7) of the Companies Act, 2013 upon any change in circumstances which may affect your status as an "Independent Director".

#### **13. 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.

#### **14. Termination**

Your directorship on the Board of the Company shall terminate or cease in accordance with law.



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-: 9 :-

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.

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 Companies Act, 2013 or, if applicable, you fail to meet the criteria for "independence" under the provisions of Clause 49 of the Listing Agreement, you agree to promptly submit your resignation to the Company with effect from the date of such change.

#### **15. Cooperation**

In the event of any claim or litigation against the Company, based upon any alleged conduct, act or omission on your part during your Term, you agree to render all reasonable assistance and cooperation to the Company and provide such information and documents as are necessary and reasonably requested by the Company or its counsel.

#### **16. Miscellaneous**

- This letter represents the entire understanding and constitutes the whole agreement, in relation to your appointment and supersedes any previous agreement between yourself and the Company with respect thereto and, without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom.
- No waiver or modification of this letter shall be valid unless made in writing and signed by you and the Company.
- As per Clause 49 of the Listing Agreement, if applicable, this letter along with your detailed profile shall be disclosed on the website of the Company and the relevant stock exchange.

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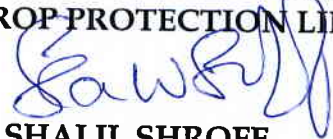
#### 14. Acceptance of Appointment

We are confident that the Board and the Company will benefit immensely from your rich experience and we are eager to have you as an integral part of the growth of our Company. If these terms of appointment are acceptable to you, please confirm your acceptance by signing and returning the enclosed copy of this letter.

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

Yours Sincerely,

For **PUNJAB CHEMICALS AND  
CROP PROTECTION LIMITED**



**SHALIL SHROFF  
MANAGING DIRECTOR**



**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.

Name:

Place:

Date: