

**DRAFT LETTER OF APPOINTMENT FOR INDEPENDENT
DIRECTOR**



LETTER OF APPOINTMENT

Date:

To
Mr. /Mrs.

Sub- Appointment as an additional Director under the category of Independent

Dear

I am pleased to inform that the Board of Directors of the Company, in their meeting held on _____, has approved your appointment as an additional Director under the category of Independent Director.

This letter of appointment sets out the terms and conditions covering your appointment which are as follows:

1. TERMS OF APPOINTMENT

You as an additional Director shall hold office upto the date of next Annual General Meeting or the last date upto which the Annual General Meeting should have been held, whichever is earlier.

Subject to approval of Members in general meeting, you as an Independent Director shall hold office upto a term of five consecutive years and such approval of Members shall not be deemed to constitute a break in your appointment as Independent Director. Subject to compliance of the provisions of the Companies Act, 2013, you shall be eligible for re-appointment on passing of special resolution by the Company.

Your appointment shall be governed as per the provisions of the Companies Act, 2013, applicable regulations of SEBI (LODR) Regulations, 2015, Articles of Association, Code of Conduct for Independent Directors of the Company and fulfilment of the prescribed criteria to continue as an Independent Director.

You shall ensure that in case any situation arises as to which you may lose your independence, you will immediately inform the Board of Directors accordingly.

Your appointment as such is not as an employee of the Company and hence this letter shall not be construed as an employment contract.

2. APPOINTMENT ON COMMITTEES OF BOARD OF DIRECTORS

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. You, while being a member of Board of Directors, may be invited on various meetings of the committees of the Board of Directors, as set up from time to time.

3. PROFESSIONAL CODE OF CONDUCT & ROLES, DUTIES AND RESPONSIBILITIES:

You shall strictly observe and follow the Code for Independent Directors as set out in Schedule IV of the Companies Act 2013. Your role, duties and responsibility will be those normally required from a Non-Executive Independent Director under the provisions of the Companies Act, 2013. For ease of reference, the relevant provisions under the Act (including Section 166 of the Companies Act, 2013) and 'Code For Independent Directors' as outlined in Schedule IV to section 149(8) of the Act are enclosed to this letter.

4. REMUNERATION

You may be entitled for sitting fee for attending the meetings of Board or committees of the Board as may be decided by the Board.

Further, you shall be reimbursed such fair and reasonable expenditure as may have been incurred by you while performing your role as an Independent Director of the Company including reimbursement of expenditure incurred by you for attending meetings, site visits and training programs.

5. INDUCTION & TRAINING

The Company shall, if required, conduct formal induction program for its Independent Directors so as to familiarize them with the Company, its vision and its business operations.

6. DIRECTOR'S LIABILITY INSURANCE

You will be eligible for Directors' and Officers' Liability Insurance policy of the Company, however, the same shall be subject to approval of the Board.

7. DISCLOSURES

During the term, you shall disclose to the Company your interests as a shareholder, director, officer, partner/proprietor of firm or trustee of other companies or entities at the beginning of each financial year and any addition / deletion thereto.

You shall also provide a declaration under section 149 (7) of the Act upon any change in the circumstances which may be affect your status as an Independent Director.

8. CONFIDENTIALITY OF INFORMATION

Any information acquired during your term as Independent Director of the Company is confidential and should not be released, unless required by law or by any regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you whilst holding the directorship.

9. TERMINATION

Your directorship on the Board of the Company shall terminate or cease in accordance with law. You may resign from your position of Independent Director at any time by giving a notice in writing to the Board of Directors of the Company stating the reasons thereof.

10. APPLICABLE LAW

This letter of appointment shall be governed by the laws of India and your engagement shall be subject to the jurisdiction of the Indian courts.

11. ACCEPTANCE

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 and on behalf of Crown Tours Ltd.

(_____)
_____ Director

DIN: _____

Agree and Accept

I have read and understood the above terms regarding my appointment as an Independent Director of the Company and I hereby affirm my acceptance to the same.

(DIN _____)

Schedule IV
Section 149 (8) of the Companies Act, 2013
Code for Independent Directors

Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfillment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

I. Guidelines of professional conduct:

An independent director shall:

1. uphold ethical standards of integrity and probity;
2. act objectively and constructively while exercising his duties;
3. exercise his responsibilities in a bona fide manner in the interest of the company;
4. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
5. not allow any extraneous considerations that will vitiate his 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;
6. not abuse his 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;
7. refrain from any action that would lead to loss of his independence;
8. where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
9. assist the company in implementing the best corporate governance practices.

II. Role and functions:

The independent directors 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 themselves on the integrity of financial information and that financial control and the systems of risk management are 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
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management and shareholder's interest.

III. Duties:

The independent directors shall—

1. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
2. 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. strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
4. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
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.

IV. Manner of appointment:

1. Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
 2. The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
 3. The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent
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director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.

4. The appointment of independent directors shall be formalised through a letter of appointment, which shall set out :
 - a) the term of appointment;
 - b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
 - c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - d) provision for Directors and Officers (D and O) insurance, if any;
 - e) the Code of Business Ethics that the company expects its directors and employees to follow;
 - f) the list of actions that a director should not do while functioning as such in the company; and
 - g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
5. The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
6. The terms and conditions of appointment of independent directors shall also be posted on the company's website.

V. Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

VI. Resignation or removal:

1. The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
2. An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
3. Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

VII. Separate meetings:

1. 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;
 2. All the independent directors of the company shall strive to be present at such meeting;
 3. The meeting shall:
 - 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
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management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

VIII. Evaluation mechanism:

1. The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
 2. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.
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