

LETTER OF APPOINTMENT OF INDEPENDENT DIRECTOR

To: _____

We are pleased to confirm your appointment as Non-Executive-Independent Director on the Board of Directors of Chemfab Alkalis Limited (hereinafter referred to as CAL or the Company), upon the recommendation of the Nomination & Remuneration Committee, for a term of five years with effect from _____.

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

1. APPOINTMENT

Your term of appointment as Non-Executive Independent Director is for a term of five years on the Board of Directors of CAL with effect from _____. Your appointment is subject to approval of the Shareholders as per the provisions of the Companies Act, 2013.

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

The term Independent Director should be construed as defined under the Companies Act, 2013 and as per regulation 16(1)(b) of SEBI (LODR) Regulations 2015 including amendment (if any). Your appointment and tenure as Independent Director shall be consistent with the applicable provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations 2015 including amendment (if any). The Shareholders approval shall be obtained at appropriate time on need basis as per the regulation 17(1A) of the SEBI (LODR)(Amendment) Regulations 2018.

You are aware of the maximum permissible directorships that one can hold as per the provisions of the Companies Act, 2013 and as per the regulations of SEBI (LODR) Regulations 2015 and we hope that this appointment will be within those limits.

You can serve for not more than two terms of consecutive five years each on the Board and before your second term commences, the Company will have to seek approval of the shareholders by way of a special resolution, on the expiry of the first term of five consecutive years

By accepting this appointment, you confirm that you can allocate enough time to meet the expectations from your role to the satisfaction of the Board

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 laws and regulations. You will be required to serve on such committees, as the board may request including but not limited to Audit and/or Nomination and Remuneration and/or Stakeholders Relationship and/or Corporate Social Responsibility Committee and/or such other sub-committees of directors. In addition, you will be expected to devote appropriate time for preparation and for travel, ahead of each meeting.

3. ROLE AND DUTIES

As a director of the Company, you will have all legal duties and obligations under the Act 2013 and the SEBI (LODR) Regulations 2015/2018 with the Stock Exchanges, including attendance at board meetings, annual general meetings, meetings of IDs and such other additional duties, as may be agreed to, from time to time.



You will be expected to perform your duties, whether statutory, fiduciary or common law diligently to a standard commensurate with your functions and duties & your skills, experience and knowledge. You should strive to hold and be present in at least one meeting in a year without the presence of non-independent directors and members of management with the sole objective of:

- (a) reviewing the performance of non-independent directors and the Board as a whole;
- (b) reviewing the performance of the Chairperson of the company, considering the views of executive directors and non-executive directors; and
- (c) assessing 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.

In addition to this you are required to oblige as per the regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as regulations of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 including amendment (in any).

Further, in terms of Section 166 of the Companies Act, 2013, you shall

- I. act in accordance with the Company's Articles of Association.
- II. 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, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment.
- III. exercise your duties with due and reasonable care, skill and diligence and exercise independent judgement.
- IV. 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.
- V. not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates and if found guilty of making any undue gain, you shall be liable to pay an amount equal to that gain to the company.
- VI. Not assign your office as Director and any assignments so made shall be void.

You shall abide by the duties as mentioned above and refrain yourself from performing such actions forbidden by the Act. You shall also abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Companies Act, 2013, and duties of directors as provided in the said Act and as per the reg. 25 of the SEBI (LODR) Regulations 2015 including SEBI (LODR) (Amendment) Regulations 2018 and amendment (if any). For your ready reference, the relevant provisions have been extracted and attached to this letter as **Annexure A**.

4. REMUNERATION

Fees/Commission:

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/or approved by the Shareholders from time to time.



Further, you will also be paid remuneration by way of commission as may be approved by the Board and subject to the approval of Shareholders from time to time and receive profit related commission within the permissible limit under the applicable provisions of the Act 2013. ID's are not entitled to any 'stock option'.

Reimbursement of Expenses:

In addition to the remuneration described, hereinabove, the 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. CODE OF CONDUCT, CODE OF BUSINESS ETHICS & OTHER COMPLIANCES

During the appointment, you will be required to comply with any relevant regulations as may be issued by the Government of India and such other authorized bodies as set up by the Government on its behalf, including the Code for Independent Directors, Code of Conduct and Ethics for Directors and Senior Executives and Insider Trading Code and such other requirements as the Board of Directors may from time to time specify.

At the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect your status as an independent director, you shall give a declaration to that effect confirming that you meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013, the SEBI (LODR) regulations 2015/2018 including amendment if any and SEBI (PIT) Regulations 2015/2018 including amendment if any, in the format as per **Annexure B** to this Letter.

6. CONFLICT OF INTEREST

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. By accepting this appointment, you are deemed to have confirmed that, any other position you hold including your directorships in other organizations, will not give rise to any 'conflicts of interest' in relation to your appointment as an ID of the Company under the Companies Act, 2013 and the SEBI (LODR) regulations 2015/2018 including amendment if any and SEBI (PIT) Regulations 2015/2018 including amendment if any. You should become aware of any conflict or potential conflict during the period of your appointment, and you are expected to notify the same to the board.

7. CONFIDENTIALITY

- a. You shall have a right of access to Company's documents and records, including financial records, as per the provisions of the Act 2013
- b. Any confidential information, which may come to your knowledge in the performance of your duties as a director of the Company must not be divulged, except so far as
 - (i) it may be necessary in connection with the proper performance of your duties to the Company;
 - (ii) the Company may, from time to time, authorise you to disclose such information, as may be required by you with the condition that you will take all reasonable precautions, as may be necessary to maintain the secrecy and confidentiality of all confidential information of the Company;
 - (iii) you may be required by law to disclose.
- c. All information acquired during your appointment is confidential to CAL and should not be released, either during your appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman unless required by law or by the rules of any stock



exchange or regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by CAL.

d. Your attention is also drawn to the requirements under the applicable regulations which concern the disclosure of price sensitive information and dealing in the securities of CAL. Consequently, you should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Chairman or the Secretary.

8. EVALUATION

The Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors. Your appointment and re appointment on the Board shall be subject to the outcome of the evaluation process. The performance of individual directors, the whole board and its committees will be evaluated annually by the Board.

9. INSURANCE

CAL has Directors' and Officers' liability insurance and it is intended that CAL will assume and maintain such cover for the full term of your appointment. The Company will use its best endeavours to maintain appropriate directors' and officers' (D&O) liability insurance for your benefit to pay for the personal liability of directors and officers for claims made against them while serving on the Board and / or as an officer of the Company during the term in each case.

10. DISCLOSURE OF INTEREST

You shall disclose material interest that in any transaction or arrangement that the Company has entered into. Such interest should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record your interest appropriately and our records are updated. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.

11. TECHNOLOGY

You may attend the board or committee meetings through video conferencing or other audio-visual means, subject to the applicable provisions of the Act 2013. You may make use of video, telephone, electronic mail, any other technology which permits each director to communicate with every other director, or any combination of these technologies for the purpose of call and holding directors' meetings.

12. LIABILITY

As an ID, your liability will be there in respect of such acts of omission or commission by the Company, which had occurred with your knowledge, attributable through board processes, and with your consent or connivance or where you had not acted diligently.

13. TERMINATION

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 of resignation on the Board. While forwarding your intention to resign or not to seek re-appointment, it will be preferable if you give the company reasonable time so that the Company can plan suitable succession to 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 terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

14. GOVERNING LAW

This letter of appointment is governed by and will be interpreted in accordance with Indian laws. This letter constitutes neither a contract for services nor a service contract. Please confirm your acceptance to the terms of appointment relating to your appointment as a non-executive Independent Director of CAL by signing and returning to us the enclosed copy of this letter.

By accepting this appointment, you are deemed to have confirmed that, any other position you hold including your directorships in other organizations, will not give rise to any 'conflicts of interest' in relation to your appointment as an Independent Director of the Company.

Looking forward to your continued support and commitment to the company.

Yours sincerely,
For Chemfab Alkalis Ltd
Chairman

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.

Signature:

Name:

Place:

Date:

Annexure A
SCHEDULE IV TO THE COMPANIES ACT, 2013
[See section 149(8)]
CODE FOR INDEPENDENT DIRECTORS

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment 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) scrutinise 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 controls 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 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 behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) acting within their 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 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 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.

DUTIES OF DIRECTORS AS PER SECTION 166 OF COMPANIES ACT, 2013

(1) Subject to the provisions of this Act, a director of a company shall act in accordance with the articles of the company.

(2) A director of a company 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 interests of the company, its employees, the shareholders, the community and for the protection of environment.

(3) A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.

(4) A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.

(5) A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.

(6) A director of a company shall not assign his office and any assignment so made shall be void.

(7) If a director of the company contravenes the provisions of this section such director shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.

EXTRACT OF OBLIGATIONS WITH RESPECT TO DIRECTORS AS PER REGULATIONS 26 OF SEBI (LODR) REGULATIONS 2018

(1) A director shall not be a member in more than ten committees or act as chairperson of more than five committees across all listed entities in which he is a director which shall be determined as follows:

(a) the limit of the committees on which a director may serve in all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 shall be excluded;

(b) for the purpose of determination of limit, chairpersonship and membership of the audit committee and the Stakeholders' Relationship Committee alone shall be considered.

(2) Every director shall inform the listed entity about the committee positions he or she occupies in other listed entities and notify changes as and when they take place.

(3) All members of the board of directors shall affirm compliance with the code of conduct of board of directors on an annual basis.

(4) Non-executive directors shall disclose their shareholding, held either by them or on a beneficial basis for any other persons in the listed entity in which they are proposed to be appointed as directors, in the notice to the general meeting called for appointment of such director.

2[(6) No employee including key managerial personnel or director or promoter of a listed entity shall enter into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of such listed entity, unless prior approval for the same has been obtained from the Board of Directors as well as public shareholders by way of an ordinary resolution.

Provided that such agreement, if any, whether subsisting or expired, entered during the preceding three years from the date of coming into force of this sub-regulation, shall be disclosed to the stock exchanges for public dissemination:

Provided further that subsisting agreement, if any, as on the date of coming into force of this sub-regulation shall be placed for approval before the Board of Directors in the forthcoming Board meeting:

Provided further that if the Board of Directors approve such agreement, the same shall be placed before the public shareholders for approval by way of an ordinary resolution in the forthcoming general meeting:

Provided further that all interested persons involved in the transaction covered under the agreement shall abstain from voting in the general meeting.

Explanation - For the purposes of this sub-regulation, interested person' shall mean any person holding voting rights in the listed entity and who is in any manner, whether directly or indirectly, interested in an agreement or proposed agreement, entered into or to be entered into by such a person or by any employee or key managerial personnel or director or promoter of such listed entity with any shareholder or any other third party with respect to compensation or profit sharing in connection with the securities of such listed entity.]

To
The Board of Directors
Chemfab Alkalis Limited,
TEAM House, GST Salai, Vandalur
Chennai 600048

Date:

Sub: Declaration of independence under SEBI (LODR) Regulations, 2015 and sub-section (6) of section 149 of the Companies Act, 2013 including SEBI (LODR) (Amendment) Regulation 2018.

I, _____, hereby certify that I am a Non-Executive - Independent Director of Chemfab Alkalis Limited, and comply with all the criteria of independent director as envisaged in SEBI (LODR) Regulations, 2015, the Companies Act, 2013 and SEBI (LODR) (Amendment) Regulations 2018.

I certify that:

- I possess relevant expertise and experience to be an independent director in the Company;
- I am/was not a promoter of the company or its holding, subsidiary or associate company;
- I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company or member of the promoter group;
- Apart from receiving director sitting fees / remuneration, I have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial;
- None of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or Rs. 50 Lacs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- Neither me nor any of my relatives:
 - a. holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
 - b. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
 1. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 2. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
 - c. holds together with my relatives 2% or more of the total voting power of the company; or
 - d. is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
- I am not a material supplier, service provider or customer or a lessor or lessee of the company;



Declaration

I undertake that I shall seek prior approval of the Board if and when I have any such relationship / transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering in to such relationship / transactions. Further, I do hereby declare and confirm that the above said information's are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future. I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you,
Yours faithfully,

Name of Director:
DIN: