

Ref: FCL:ID:2019:  
14<sup>th</sup> February, 2019

**LETTER OF APPOINTMENT AS AN INDEPENDENT WOMAN DIRECTOR**

Mrs Shruti Deepen Udeshi  
103, JeevanDeep,  
5<sup>th</sup> Road Rajawadi,  
Ghatkopar (E)  
Mumbai – 400 077

Dear Mrs Shruti D Udeshi

Sub : Appointment as an Independent Woman Director of Finolex Cables Limited (the 'Company')

On behalf of the Company, I am pleased to inform you that the Board of Directors (the "Board") of the Company subject to the approval of Members of the Company at the next General Meeting of the Company have approved your appointment as an Independent Woman Director of the Company ('Independent Woman Director') with effect from 14<sup>th</sup> February, 2019. This letter sets out the terms and conditions of your appointment.

**1. Appointment**

- 1.1 In accordance with the provisions of the Companies Act, 2013 ('Act'), the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17(1) of Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 i.e. the SEBI (LODR) Regulations 2015, as amended *vide* SEBI Notification dated 9<sup>th</sup> May, 2018, you are appointed as an Independent Woman Director on the Board of the Company to hold office for a period of five years with effect from 14<sup>th</sup> February, 2019. You will not be an employee of the Company and this letter shall not constitute a contract of employment.
- 1.2 The term of your appointment shall be subject to the provisions contained in the Act, applicable Rules framed under the Act, the SEBI (LODR) Regulations 2015, as amended and the provisions of the Articles of Association of the Company as applicable. Your appointment is also subject to the maximum permissible directorships that a director can hold as per the provisions of the Act and the SEBI (LODR) Regulations 2015, as amended.
- 1.3 Your appointment is subject to the approval of the Members of the Company at next General Meeting of the Company. However, in compliance with the provisions of sub-section (13) of section 149 of the Act, your directorship is not subject to retirement by rotation.
- 1.4 The Company reserves the right to terminate your appointment as an Independent Woman Director prior to completion of the term of your appointment, in accordance with the provisions contained in the Act, Rules framed thereunder and other legal provisions.
- 1.5 Upon termination of your appointment or upon your resignation for any reason, duly intimated to the Company, you will not be entitled to any compensation for loss of such office.



## 2. Committees of the Board

During the term of your appointment, you may be required to serve on one or more existing Committees of the Board of the Company or any Committee formed hereafter by the Board. In such an event you shall be expected to act in accordance with the terms of reference of the Committee constituted pursuant to the provisions of the Act, applicable Rules framed thereunder, SEBI (LODR) Regulations 2015, as amended or other legal provisions.

At present, the Board of the Company has five Committees, namely:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Share Transfer-cum-Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee
5. Risk Management Committee

The charters/roles of the aforesaid committees are set out in brief below:

### 1. Audit Committee

The Audit Committee has the full power and authority to monitor related party transactions and provide effective supervision of the financial reporting processes of the Company and personnel associated with such processes with a view to ensuring accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting and effectiveness of the audit process.

### 2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee is entrusted with the duty of formulating the criteria for determining the qualifications, positive attributes and independence of a director and recommending to the Board a policy relating to the remuneration of the directors, key managerial personnel and other senior employees; formulating or laying down the criteria for performance evaluation of the independent directors and the Board; devising a policy on Board diversity; identifying persons forming part of the senior management of the Company, and recommending to the Board the appointment and, where necessary, the removal of any directors and senior management personnel.

### 3. Share Transfer-cum-Stakeholders' Relationship Committee

The mandate of the Share Transfer-cum-Stakeholders Relationship Committee is to consider share transfers and related activities as also to consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc.

### 4. Corporate Social Responsibility Committee ('CSR Committee')

The Company has always endeavoured to maintain a broad perspective of its role in Society. The vision of the CSR Committee is to make a genuine difference for the good of the society. The CSR Committee oversees the corporate social responsibility initiatives undertaken by the Company and formulates and recommends to the Board a policy relating to the corporate social responsibility activities to be undertaken by the Company and the amount of expenditure to be incurred on such activities.



## 5. Risk Management Committee

The Risk Management Committee has a primary responsibility and accountability to the Board to use its best efforts to ensure that the Company's risk management framework is properly managed and improved on a regular basis so as to protect the Company's interests and enhance its risk mitigating effort to meet its risk management objectives.

## 3. Time Commitment

- 3.1 As an Independent Woman Director, you are expected to bring objectivity and independence of view to the Board's discussions and to help provide 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. The Board meets at least four times in a year. The Audit Committee also meets at least six times in a year. Besides, there are other committee meetings like Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee meetings which are ordinarily convened at desired intervals to attend to matters that the said committees are concerned with. You will be expected to attend Board meetings, meetings of the Board Committees to which you may be appointed and general meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively. Ordinarily, all meetings except annual general meetings are held at the Registered Office of the Company at Pune.
- 3.2 By accepting this appointment, you confirm that you are able to devote sufficient time and attention as is prudent and necessary for meeting the expectations of your role, duties and responsibilities as an Independent Woman Director to the satisfaction of the Board.

## 4. Role and Duties

Your role and duties will be those normally required of an Independent Woman Director under Schedule IV of the Act and Rules framed thereunder, SEBI (LODR) Regulations, 2015, as amended and the provisions of the Articles of Association of the Company. The fiduciary duties incidental to your appointment as an Independent Director of the Company include the following:

1. to act in accordance with the Articles of Association of the Company;
2. to act in good faith in order to promote the objects of the Company for the benefit of its stakeholders as a whole, and in the best interests of the Company;
3. to 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;
4. to bring an objective view in the evaluation of the performance of Board and management;
5. to scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
6. to satisfy yourself on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
7. to safeguard the interests of all stakeholders, particularly the minority shareholders;
8. to balance the conflicting interest of the stakeholders;
9. to 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;



10. to moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest;
11. to accurately report on the performance and financial position of the Company; and
12. to ensure compliance with the applicable legislation and regulations under review and the conformity of the practices of the Company to accepted norms.

The duties enlisted hereinabove shall be discharged with due and reasonable care, skill and diligence.

#### 5. Limitation on discharge of duties

The discharge of your duties as an Independent Woman Director shall not extend to:

1. involving yourself in situations involving a conflict of interest, whether direct or indirect, vis-à-vis the Company as defined in clause 6 of this letter;
2. achieving or attempting to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates; and
3. assigning your office as a director and any assignments so made shall be void.

#### 6. Conflict of interest

- 6.1 It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to your appointment, 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 as well as from time to time whenever any change(s) occur in such business interests.
- 6.2 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 judgement that you are independent, this should be disclosed to both the Executive Chairman and the Company Secretary.

#### 7. Remuneration

- 7.1 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. Further, you will also be paid remuneration by way of commission as may be approved by the Board and the shareholders from time to time.
- 7.2 The sitting fees presently paid to the non-executive Independent Director is Rs.30,000/- per meeting of the Board or Rs.20,000/- per meeting of the Audit Committee and Rs.15000/- per meeting of other Committees thereof.
- 7.3 You shall not be entitled to participate in any employee stock option scheme operated by the Company or any group company and shall not be entitled to avail of any bonus during your term of appointment.

#### 8. Reimbursement of Expenses

The Company will either directly pay or arrange to reimburse you for the following items of expenditure incurred by you as incidental to the performance of your duties, namely:

1. Travel expenses;
2. Hotel accommodation expenses, if any; and
3. Out-of-pocket expenses, if any.



## 9. Confidentiality

- 9.1 All information acquired during your appointment is confidential to the Company and should not be released, either during your appointment or following termination (by whatever means) to third parties without prior clearance from the Executive Chairman unless required by law or by the rules of any stock exchange or regulatory body provided that in such a case prior information and reasonable notice of at least 10 days is given to the Executive Chairman and also to the Company Secretary. On reasonable request, you shall surrender any documents and other materials made available to you by the Company.
- 9.2 Your attention is also drawn to the requirements under the applicable regulations and the Company's Insider Trading Code which concern the disclosure of price sensitive information and dealing in the securities of the Company. Consequently, you should avoid making any statements or performing any transactions that might result in a breach of these requirements without prior clearance from the Executive Chairman or the Company Secretary.

## 10. Induction / Training

You may be invited to attend ongoing training and familiarization sessions, including briefings from management and site visits of the Company. Please avail yourself of these opportunities as fully as is appropriate to your personal circumstances.

## 11. Evaluation

The Board will carry out an evaluation of your performance as per the policy adopted on Board Evaluation. The policy will provide for evaluation of the Board, the Committees of the Board and individual Directors including the Executive 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 shall be subject to the outcome of the yearly evaluation process.

## 12. Insurance

The Company has established suitable Directors' and Officers' liability insurance that the Company will assume and maintain such cover during the full term of your appointment as Independent Woman Director of the Company.

## 13. Independent Professional Advice

There may be occasions when you consider that you need professional advice in furtherance of your duties as a director and it will be appropriate for you to consult independent advisers. The Company will reimburse the reasonable expenditure incurred in this behalf, in accordance with the Company's policy.

## 14. Disclosure of interest

Any material interest acquired by you in a contract or arrangement entered into with the Company shall be disclosed at the meeting of the Board in which such contract or arrangement is discussed in order that the minutes and the Annual Accounts record an appropriate mention of such disclosure of interest. A general notice that you are interested in any contracts with a particular person, firm or company given in the prescribed format and with all relevant particulars duly completed, is acceptable.



## 15. Code of Conduct

The codes of conduct of the Company which necessitate compliance by you are :

1. Code of Conduct for Board and Senior Management;
2. Code of Conduct and Ethics of the Company;
3. Code of Internal Procedures and Conduct for prevention of Insider Trading in securities of the Company;

and such other requirements as the Board may, from time to time, specify.

## 16. Termination

You may resign from your position at any time before the end of your term of office by giving a reasonable prior notice in writing to the Board.

Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with provisions of the Act and applicable Rules framed thereunder and the Articles of Association of the Company, from time to time in force. You will not be entitled to any compensation if the shareholders do not re-elect you at any time or otherwise as a director.

Your appointment may also be terminated in accordance with the provisions of the Act / Articles of Association of the Company from time to time in force.

## 17. Governing Law

This letter of appointment and any non-contractual obligations arising out of or in connection with the same are governed by, and shall be construed in accordance with the laws of India and the parties agree to submit to the exclusive jurisdiction of the courts of Pune.

Please confirm your agreement to the above-mentioned terms by signing and returning to us an enclosed copy of this letter.


Yours sincerely,  
For FINOLEX CABLES LIMITED



D K CHHABRIA  
EXECUTIVE CHAIRMAN  
(DIN: 01403799)

I have read and agree to abide by the above terms regarding my appointment as an Independent Woman Director of Finolex Cables Limited.

Signature:  
Independent Woman Director's Name:

  
\_\_\_\_\_  
Mrs Shruti D Udeshi  
DIN: 06900182

Date:

14<sup>th</sup> February, 2019