

CHAMBAL Breweries & Distilleries Limited



REGISTERED OFFICE
A/7, SHOPPING CENTRE, KOTA (RAJ.)
PHONE & FAX : 0744-2362346

Appointment Letter

To,
[NAME OF THE INDEPENDENT DIRECTOR]
[ADDRESS]

Re: Your letter of appointment as the independent director of the Chambal breweries & Distilleries Limited

Dear Sir,

We are pleased to inform you that at the Annual General Meeting of the shareholders held on 29th November 2014, you have been appointed as the Independent director of the Company to hold office for five consecutive years for a term upto, 2019 on the terms and conditions contained herein. Pursuant to the requirements of Schedule IV of the Companies Act, 2013 ("the Act") pertaining to the Code of Independent Directors, we issue this formal letter of appointment.

A. Preliminary

Your appointment is subject to the following:

1. You will submit a declaration in the beginning of every financial year under section 149 (7) of the Act during your tenure stating that you meet the criteria of independence.
2. So long as you are an independent director the number of companies in which you hold office as a director or a chairman or committee member will not exceed the limit stipulated under the Act and the listing agreement.
3. So long as you are an independent director of the Company, you will ensure that you do not get disqualified to act as a director pursuant to the provisions of section 164 of the Act.
4. You will ensure compliance of other provisions of the Act and the equity listing agreement, if any.

B. Term

Tenure: Your appointment is for term of 5 years commencing from 29th Annual General Meeting upto conclusion of 34th Annual General Meeting of terminated earlier in accordance with the applicable provisions of the Act. Your letter of appointment shall is not constitute a contract of employment of the Company .**Declarations to be made on appointment:** Pursuant to your appointment as an Independent Director in the Company, you will be required to furnish the declarations and documents as required under the Act and Listing Agreements.

Retirement:

*Email Id : chambalbreweries@gmail.com
CIN : L99999RJ1985PLC046460*

Website : www.chambalkota.in

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In Compliance with the provisions of Section 149(13) of the Act, As provided under the Act, you will not be liable to retire by rotation at any General Meeting of the Company.

Committees of the Board:

The Company has the following Committees:-

- a) Audit Committee
- b) Nomination & Remuneration Committee
- c) Stakeholders' Relationship Committee (formerly known as Shareholders'/Investors' Grievance Committee)

You will be expected to attend meetings of Board and Board Committees to which you may be appointed and Shareholders meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively.

By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.

C. Code of Conduct and Duties and Responsibilities

1. You will abide by the Code of Professional Conduct applicable to the independent director of the Company as set out separately in **Annexure- 1**.
2. You will abide by the duties and responsibilities set out at **Annexure-2** hereto, as stipulated by applicable law.
3. While you are entitled to a training program, as set out below, you are expected to stay updated on how best to discharge your roles, responsibilities, and duties and liabilities, as an independent director of the Company under applicable law, including keeping abreast of current changes and trends in economic, political, social, financial and legal and corporate governance practices.
4. The management expects its independent directors to:

- (i) take decisions objectively and solely in the interests of the Company;
- (ii) facilitate Company's adherence to high standards of ethics and corporate behavior;
- (iii) facilitate existence of appropriate risk management/regulatory compliance policies;
- (iv) guide the Board in monitoring the effectiveness of the Company's governance practices and to recommend changes, required if any;
- (v) guide the Board in monitoring and managing potential conflicts of interest of management, Board members and shareholders, including misuse of corporate assets and abuse in related party transactions;
- (vi) guide the Board in ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards;
- (vii) act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company and the shareholders; and

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(viii) comply with his/her duties and obligations under applicable law, particularly the Act and the equity listing agreement.

E. Performance Evaluation

The Board will carry out an evaluation of the performance of the Independent Directors by the entire Board of Directors excluding the Director being evaluated. Your reappointment or extension of term and your remuneration will be recommended by the Board, pursuant to the performance evaluation carried out by the Board.

F. Remuneration

1. Your annual remuneration will be as under:
 - (a) sitting fees for attending each meeting of the Board and its committees as may be determined by the Board from time to time, and
2. You will be entitled to reimbursement of expenses including accommodation in the hotel, travelling and other out-of-pocket expenses incurred by you in connection with attending the Board meeting or any Board Committee meeting or in relation to the business of the Company.
3. Pursuant to applicable law, you will not be entitled to any stock options.

G. Training

1. You will be entitled to the benefit of a training program to familiarize you with the business and affairs of the Company, growth plans, the peculiarities of the industry in which the Company operates, its goals and expectations and long term plans and objectives.
2. Such training program will also apprise you of your roles and responsibilities, expectations from the Board and senior management, your fiduciary duties and liabilities, and the Company's Code of Conduct and the Code of Business Ethics.

H. Separate meeting of the independent director:

- (1) As an Independent director or the company you shall hold at least one meeting of the independent director in a year, without the attendance of non-independent directors and members of management and endeavour to attend the same;
- (2) The meeting of the Independent director 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 view of executive directors and non-executive Directors.
 - c. Assess the quality, quantity and timelines of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

I. Conflict of Interest

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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.

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.

J. Termination

- a) They may resign from their position at any time and when they wish to do so, in accordance with the provisions of Section 168 and 169 of the Act.
- b) Their appointment may also be terminated on a failure to meet the the parameters of independence as defined in section 149(6) or on the occurrence of any event as defined in section 167 of the Act from time to time in force.

K. Trading window closure

The Company shall specify a trading period, to be called “trading window”, for trading in the Company’s securities. When the trading window is closed the directors shall not trade in the Company’s securities in such period.

The trading window shall be closed during the following time periods when the information is unpublished:

- I Declaration of financial results (quarterly, half-yearly and annually);
- II Declaration of dividends (interim and final);
- III Issue of securities by way of public/rights/bonus etc.;
- IV Any major expansion plans or execution of new projects;
- V Amalgamations , mergers, takeovers, and buy-back;
- VI Disposal of whole or substantially whole of the undertaking;
- VII Any changes in policies, plans or operations of the Company.

The time for commencement of closing of trading window shall be decided by the Company. The trading window shall be opened 48 hours after the information referred to above is made public.

L Miscellaneous

1. You will have access to confidential information, whether or not the information is marked or designated as “confidential” or “proprietary”, relating to the Company and its business including legal, financial, technical, commercial, marketing and business related records, data, documents,

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reports, etc., client information, intellectual property rights (including trade secrets), (“**Confidential Information**”).

2. You undertake to use reasonable efforts to keep confidential and to not disclose to any third party, such Confidential Information. If any Confidential Information is required to be disclosed by you in response to any summons or subpoena or in connection with any litigation, or in order to comply with any applicable law, order, regulation or ruling, then any such disclosure should be, to the extent possible, with the prior consent of the Board.

3. This letter and any dispute or claim arising out of, or in connection with it construed in accordance with and be governed by the laws of India. The courts of Kota alone and no other courts shall have the jurisdiction to entertain and try any disputes arising from and out of the provisions of this letter.

3. This letter may be signed by facsimile or in any number of counterparts, each of which is an original and all of which, taken together, constitutes one and the same instrument.

Yours faithfully,

Sd/-
Chairman
Dated: 29.11.2014

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

[Name of Independent director]

Place:

Date :

Annexure 1

Guidelines for Professional Conduct

You will observe the professional conduct as an Independent director as under:

1. Uphold ethical standards of integrity and probity.
2. Act objectively and constructively while exercising your duties.
3. Exercise your responsibilities in a bona fide manner in the interest of the Company.
4. Devote sufficient time and attention to your professional obligations for informed and balanced decision making.

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5. Not allow any extraneous considerations that will vitiate your 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 your 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 your independence.
8. Where circumstances arise which make you lose your independence, you must immediately inform the Board accordingly.
9. Assist the Company in implementing the best corporate governance practices.

Annexure 2

Role and Functions:

Your roles and functions as an Independent director are as under:

1. Assist 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 yourself on the integrity of financial information and that financial controls and 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.

Duties and Responsibilities:

Your duties and responsibilities as an Independent director are as under:

- 1) Undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the Company.
- 2) 1. 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 and of the Board committees of which you are a member.
- 4) Participate constructively and actively in the committees of the Board in which you are chairpersons or members.
- 5) Strive to attend the general meetings of the Company.

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- 6) 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 your concerns are recorded in the minutes of the Board meeting.
- 7) Keep yourself 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 yourself 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 your 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.