TUBE INVESTMENTS OF INDIA LIMITED

CIN L35100TN2008PLC069496
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TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

(Pursuant to Schedule IV of the Companies Act, 2013 – Clause IV.(6))

_____, 20__

[Name and address of the Independent Director]

Sub: Your appointment as Non-executive Independent Director of the Company under the Companies Act, 2013

Dear _____

We take pleasure in informing you that at the _ Annual General Meeting of the Company held on ___, 20_, the resolution relating to your appointment as Independent Director of the Company, pursuant to the Companies Act, 2013 and the Rules there under, was approved by the Shareholders.

As required under the Companies Act, 2013, this letter of appointment is issued to formalise your appointment as Independent Director. Kindly note that you will not be deemed to be an employee of the Company and this letter does not constitute a contract of employment.

1. Appointment

1.1 Your appointment as Independent Director of the Company is for a term of _ (_) consecutive years i.e., from_____. You will not be liable to retire by rotation.

1.2 The Company has adopted the provisions with respect to appointment and tenure of Independent Directors, which are consistent with the provisions of the Companies Act, 2013, the Rules there under and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. Committees of the Board

2.1 During your term of office, you may be appointed on one or more Committees of the Board, as the Board deems fit. Your appointment to such Committee(s) will be subject to the applicable regulations.

2.2 You are presently Member/Chairman on the following Committees of the Board, whose Terms of Reference have been provided to you:

1		
2		
3		

3. Meetings

3.1 The Board of Directors of the Company ('Board') meets at regular intervals with an annual calendar, which is finalised in advance in consultation with all the Directors. A minimum of 5 Board meetings are held each year. The Audit Committee meets at least 4 times a year and the other Board Committees meet at appropriate intervals.

3.2 You will be expected to attend meetings of the Board and the Board Committees (of which you are a member already or to which you may be appointed in the future) in addition to the Shareholders meetings (Annual General Meeting/Extraordinary General Meeting) and to devote such time to your duties, as appropriate for you to discharge your duties effectively. Ordinarily, all meetings are held in Chennai.

4. Role and Duties

4.1 Your role and duties as Independent Director will be those as required of all Directors under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, some of which are specifically outlined below:

(a) To act in accordance with the Articles of Association of the Company.

(b) To 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, its employees, the shareholders, the community and for the protection of the environment.

(c) To discharge duties with due and reasonable care, skill and diligence and exercise independent judgment.

(d) Not to involve in a situation in which the Director may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.

(e) Not to achieve or attempt to achieve any undue gain or advantage either to the Director concerned or to his/her relatives, partners or associates. If found guilty of making any undue gain, the Director concerned shall become liable to pay an amount equal to the gain to the Company.

(f) Not to assign his/her office as Director; any assignment, if made, shall be void.

4.2 In addition to the above which are generally expected of all Directors, an Independent Director shall:

(a) undertake appropriate induction and regularly update & refresh his/her skills, knowledge and familiarity with the Company;

(b) 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;

(c) strive to attend all meetings of the Board of Directors and of the Board committees of which he/she is a member;

(d) participate constructively and actively in the Board committees in which he/she may be a chairperson or member;

(e) strive to attend the general meetings of shareholders of the Company;

(f) ensure that any concern that he/she may have about the running of the Company or a proposed action is addressed by the Board and to the extent that they are not resolved, seek inclusion of concerns in the minutes of the Board meeting;

(g) be well informed about the Company and the external environment in which it operates;

(h) not unfairly obstruct the functioning of an otherwise proper Board or committee(s) of the Board;

(i) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure that they are in the interest of the Company;

(j) 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;

(k) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics;

(l) within the Director's authority, assist in protecting the legitimate interests of the Company, its shareholders and employees;

(m) not disclose any confidential information including commercial secrets, technologies, advertising & sales promotion plans and unpublished price sensitive information unless such disclosure is expressly approved by the Board or required by law.

5. Responsibilities and Functions

Independent Directors have the same general responsibilities as that of other Directors on the Board. The functions of the Board of Directors of the Company are to:

- review and approve annual and medium/ long term plans.
- provide strategic guidance for implementation of business policy.
- oversee the performance of management in meeting agreed goals & objectives and monitor the reporting of performance.
- ensure integrity of financial information and the robustness and defensibility of financial controls and systems of risk management.
- oversee internal control processes including legal and regulatory compliance framework of the Company.
- determine appropriate levels of remuneration of Executive Directors and have a prime role in appointing, and where necessary, removing Executive Directors and in succession planning.

6. Compensation

6.1 You will be paid remuneration by way of sitting fees, as decided by the Board from time to time, for attending meetings of the Board and its Committees, on which you are a member. Presently, for Board meetings the sitting fee is Rs. 75,000 per meeting. For Audit Committee meetings the sitting fee is Rs. 50,000/- per meeting and Rs. 30,000/- per meeting for other Board-Committee meetings.

6.2 The compensation to Non-executive Directors also takes the form of a commission on net profits. In the normal course, the actual commission paid to the Non-executive Directors is restricted to a fixed sum. The sum is reviewed periodically taking into consideration various factors such as performance of the Company, time devoted by Non-executive Directors in attending to the affairs and business of the Company and the extent of responsibilities cast on the Non-executive Directors under various laws and other relevant factors, as approved by the Board and the Shareholders from time to time.

6.3 In addition to the above, you will be entitled to reimbursement of all expenses incurred by you in connection with your participation in the Board and Board-Committee meetings.

6.4 Independent Directors are not entitled to stock options of the Company as per the Companies Act, 2013.

7. Disclosure of Interest

In respect of your business interests in other entities, if any, to avoid any conflict of interest, you are expected to disclose to the Board, in writing, through the Company Secretary, the nature of interest, both direct and indirect, in any contract or arrangement entered or proposed to be entered by the Company with such entities. In the event of any change in the nature of your interest, the same shall also be disclosed to the Board forthwith. Further, as stipulated under the Companies Act, 2013, you shall abstain from participating in the Board/Committee Meeting where there is a deliberation or voting on any item of business in respect of which you are interested.

8. Code of Conduct

   All Non-executive Directors including Independent Directors are governed by the Code of Conduct adopted by the Company, a copy of which has been provided to you.

9. Confidentiality

   All information acquired during your tenure of office concerning the Company and the group companies is confidential and shall not be disclosed to third parties. This requirement extends beyond your period of office as Director.

   Price-sensitive information is expected to be kept confidential. In terms of the requirements under the SEBI regulations for prohibition of insider trading, Directors shall not, whether for their own account or their relative's account, deal in securities while in possession of any unpublished price-sensitive information. Directors should not, without the prior clearance from the Chairman, make any statements that might risk a breach of these requirements. Further, in terms of the Companies Act, 2013, you shall neither enter into forward dealings in the securities of the Company or its Holding Company (if any) nor enter into any insider trading activity in relation to the securities of the Company.

10. Evaluation mechanism

    The performance of the Board as a whole, of the Individual Directors and of the Board-Committees will be evaluated on a periodical basis keeping in view the objectives of the Company. The evaluation process will be used constructively as a mechanism to improve Board effectiveness. Performance will be assessed based on clearly defined objective criteria. Your appointment and re-appointment on the Board shall be subject to the outcome of the evaluation process.

11. Directors and Officers Insurance Policy

    The Directors are covered under the Policy from risks arising from stakeholder claims against them.

12. Professional Advice

    If the Board considers it necessary to seek independent professional advice with regard to legal, financial or other advice in the furtherance of its duties, then the Managing or Whole-time Director or Company Secretary or the Chief Financial Officer of the Company may be directed to obtain such advice and provide copies of the same.

13. Resignation

    You may resign from your position at any time and should you wish to do so, you are requested to communicate the same in writing to the Board.

14. Retirement

    As per the group's policy, generally the age of retirement for Non-executive Directors is 70 years.

We look forward to your association with the Company and your contribution to the Board/Board-Committee deliberations for the Company's benefit and betterment in the years to come.

Yours sincerely,
For TUBE INVESTMENTS OF INDIA LTD.
M A M Arunachalam
Executive Chairman