

Date: \_\_\_\_\_

To,  
**Name of the Independent Director**  
Address of Independent Director

**Sub: Appointment to the Board of Directors as an Independent Director**

Dear Sir,

On behalf of the Allied Digital Services Limited (the "Company"), I am pleased to confirm you that members of the Company at the \_\_\_\_\_ General Meeting of the Company held on \_\_\_\_\_ has approved your appointment as an Independent Director on the Board of Directors of the Company for a period of 5 years from \_\_\_\_\_ to \_\_\_\_\_ unless terminated earlier or extended, as per provisions this letter or applicable laws.

The terms and conditions of appointment of Independent Directors are subject to the extant provisions of the following:

- (i) Applicable laws, including the Companies Act, 2013 ('2013 Act') and relevant regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 here after called (LODR) (as amended from time to time) and
- (ii) Articles of Association of the Company

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

**1. Term of Appointment:**

The appointment will be for the period of 5 years or the Director attaining the age of 75 years, whichever is earlier as approved by the shareholders in the Annual General Meeting ("Term"). The Company may disengage Independent Directors prior to completion of the Term subject to compliance of relevant provisions of the Companies Act, 2013.

Independent Directors will not be liable to retire by rotation.

Re-appointment for another term of maximum period of five years at the end of the current term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the shareholders by way of Ordinary Resolution.

The re-appointment would be considered by the Board based on the outcome of the performance evaluation process and the directors continuing to meet the independence criteria. The directors may be requested to be a member/Chairman of any one or more Committees of the Board which may be constituted from time to time.

You may resign by notice in writing at any time. It is desirable that you give the Chairman valid reason of your intentions to resign or to not seek reappointment. You may be required to vacate office for any reason pursuant to any provisions of the Companies Act, 2013.

## **2. Insurance:**

The Company has Directors' and Officers' liability insurance and it is intended that the Company will maintain such cover for the his/her term of appointment subject to the terms of such policy in force from time to time. A copy of the policy document will be supplied on request

## **3. Remuneration and expenses:**

As an Independent Director of the Company you will be entitled to receive sitting fees for the meetings of the Board or its Committee of which you are a member as fixed by the Board from time to time:

The sitting fees will be subject to deduction of tax at source and the proof of the same will be provided to you.

The Company will reimburse you for the reasonable expenses for attending the Board/Committee meeting. All payments are subject to appropriate applicable taxes.

### **Please note that:**

- As a director of the company you shall not assign office and any assignment so made shall be void.
- You are required to furnish a declaration every year confirming your eligibility to hold the office of Independent Director of the Company or whenever there is a change in the circumstances which may affect your status as an Independent Director.
- You are restricted from participating in the discussions on contracts or arrangements with parties where you are interested or concerned in any manner.
- You will promptly inform the Company about any changes, if any, in disclosure of interest and declarations furnished by you to the Company.

#### **4. Time Commitment**

They Independent Directors agree to devote such time as is prudent and necessary for the proper performance of their role, duties and responsibilities as an Independent Director.

#### **5. Confidentiality**

Unless specifically authorised by the Company, you shall not disclose the business information to public constituencies such as the media, the financial community, employees, shareholders, agents, franchisees, dealers, and distributors. Your obligation of confidentiality shall survive termination or cessation of Directorship with the Company. We would also like to draw your attention to the applicability of both, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 along with the Code of Conduct on Prevention of Insider Trading Policy and the amendments as applicable, prohibiting disclosure or use of unpublished price sensitive information. Additionally, you shall not participate in any business activity which might impede the application of his/her independent judgment in the best interest of the Company. You are required to sign a confirmation of compliance with the Code of Conduct on an annual basis.

#### **6. Liability:**

As an Independent Director you will be liable only in respect of such acts of omission or commission by a company which had occurred with your knowledge, attributable through Board processes, and with your consent to connivance or where you had not acted diligently.

#### **7. Performance Appraisal / Evaluation Process:**

As a member of the Board, your performance as well as the performance of the entire Board and its Committees shall be evaluated annually. Evaluation of each director shall be done by all the other directors. The criteria for evaluation shall be determined by the Nomination and Remuneration Committee. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committee. An indicative list of factors that may be evaluated as part of this exercise is:

- Participation and contribution by a director;
- Commitment (including guidance provided to senior management outside of Board /Committee meetings);
- Effective deployment of knowledge and expertise;
- Effective management of relationship with stakeholders;
- Integrity and maintenance of confidentiality;
- Independence of behavior and judgment, etc.

**8. Disclosures, other directorships and business interests:**

During the Term, you shall notify the Company of any change in your directorships, and provide such other disclosures and information as may be required under the applicable laws. You shall also agree that upon becoming aware of any potential conflict of interest with your position as Independent Director of the Company, you shall promptly disclose the same to the Chairman and/or the Company Secretary. You shall provide a declaration under Section 149(7) of the Companies Act, 2013 every year and upon any change in circumstances which may affect your status as an Independent Director of the Company.

**9. Changes of Personal Details**

During the Term, they shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

**10. Co-operation:**

In the event of any claim or litigation against the Company, based upon any alleged conduct, act or omission on Independent Director's part during your Term, you shall agree to render all reasonable assistance and co-operation to the Company and provide such information and documents as are necessary and reasonably requested by the Company or its counsel.

**11. Acceptance of Appointment:**

We are confident that the Board and the Company will benefit immensely from your rich experience and we are eager to have you as an Independent Director of our Company.

You shall confirm your acceptance of these terms and conditions by signing and returning the letter issued to you.

**12. Right to Third Parties:**

No person other than you and the Company shall have any rights under the terms of this letter shall not be enforceable by any person other than you and the Company.

This letter constitutes the entire terms and conditions and no waiver or modification thereof shall be valid unless it is agreed in writing and signed by the parties hereto.

Kindly also visit our website <https://www.allieddigital.net/in/Investors.html> for any further information

We look forward to your continuous presence on the Board and your continued participation of the Board and the Committee(s).

**13. Confirmation:**

I confirm and agree to the terms of my appointment as an Independent Director of Allied Digital Services Limited as set out in this letter.

**Name of the Director**

**Signature**

**Date:**

**Place:**

Enclosed: Code of Conduct for Independent Directors.

Thanking you

Yours sincerely,  
For **Allied Digital Services Limited**

**Prakash Shah**  
**Whole-time Director**  
**DIN: 00189842**

## **CODE OF CONDUCT FOR INDEPENDENT DIRECTOR'S**

The 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:**

1. An independent director you shall 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 to 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;
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 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 your 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 you are a member;
4. participate constructively and actively in the committees of the Board in which you are chairperson(s) or member;
5. strive to attend the general meetings of the company;
6. where you have any 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 behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
12. acting within this authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
13. not to 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 formalized 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 Board's 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. Resignation and renewal:**

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 459[three months] 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.

**VI. Separate meetings:**

1. The independent directors of the Company shall hold at least one meeting in a financial 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.

**VII. 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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