

Letter of Appointment

To

Dear Sir,

Sub: Appointment as an Independent Director

We are pleased to inform you that the shareholders of M/s. Alkali Metals Limited (“the Company”), at their meeting held on, has appointed you under the category of Independent Director (under the provisions of Section 149 of the Companies Act, 2013 and all other rules and provisions as may be applicable).

Duration of Appointment

Your appointment is for an initial term of five years commencing on

Role

The board’s role is to effectively represent, and promote the interests of, all the stakeholders with a view to adding long-term value to the Company’s stakeholders. In the normal course of events, day to day management of the company is left to management; the board director’s advises/guide the management with regard to the business and affairs of the Company. All directors are expected to take decisions objectively in the interests of the Company and all stakeholders.

Fiduciary Responsibility of the Independent Director:

- A director of a company shall act in accordance with the articles of the company.
- 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.
- A director shall uphold ethical standards of integrity and probity and shall act objectively and constructively while exercising his duties.
- A director shall devote sufficient time and attention to his professional obligations for informed and balanced decision making
- A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- 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 in terms of provisions of the Companies Act, 2013 and other applicable laws.

- 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 undue gain he shall be liable to pay an amount equal to that gain to the company.
- A director of a company shall not assign his office and any assignment so made shall be void.
- Such other duties as may be specified by the Companies Act 2013 and the rules framed there under from time to time.

Duties:

The independent directors shall—

- undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- 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;
- strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- strive to attend the general meetings of the company;
- 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;
- keep themselves well informed about the company and the external environment in which it operates;
- 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;
- report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;

Code for Independent Directors and Business Ethics

As an Independent Director you are required to abide by the provisions of “Code for Independent Directors” specified in schedule IV of Companies Act 2013, as amended from time to time, is required to be observed by all the Directors and Designated Employees, and their relatives. Enclosed herewith as Annexure -I to the letter

Committee Involvement

Board committees to be formed, as required under applicable laws or as and when it is efficient or necessary to facilitate effective decision-making from time to time, as deemed fit by the Board you may be requested by the Board to serve on one or more Board committees.

The Board may appoint you as a member of any of its Committees formed such as the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committees as applicable.

The Board may reconstitute the composition of any / all Committees from time to time and any such change shall be promptly communicated to you. In such an event you may also be required to serve on other Committees of the Board.

Board and Committee Meetings and Time Commitment

The Board normally meets for a minimum of 4 times in a year and holds additional meetings as the occasion requires. As an Independent director you would also be required to attend a separate meeting of Independent Directors conducted at least once in a year.

In addition to routine board meetings you would be required to allocate time for committee meetings wherein you are appointed as a member, General Meetings of members, preparatory work and travel, and ensure that you are in a position to make the necessary overall time commitment. By accepting this appointment, you have confirmed that you are able to allocate sufficient time to meet the expectations of your role.

Remuneration

As an independent director you are eligible for sitting fees for attending meetings of the Board or committee thereof as decided by the Board from time to time. You shall also be eligible for receipt of profit related commission as may be approved by the members from time to time.

In determining the amount of this commission, the nomination and remuneration committee/Board of directors may consider various factors as disclosed in the remuneration policy. An indicative list of factors that may be considered are as follows:

- Attendance at Board Meetings
- Attendance at Committee Meetings
- Chairmanship of the Board
- Chairmanship at the Committee
- Contributions at Board and Committee Meetings
- Guidance and support provided to the senior management of the company outside Board meetings
- Industry Practices
- Performance Evaluation and
- Performance of the Company

In addition to the above the Company will reimburse you for all expenses, as may be incurred by you for participation in the Board and other meetings, such as accommodation, travelling expenses etc., reasonably and properly incurred and documented.

Board and Individual Director Evaluation Processes

The performances of the board as a whole, its committees and individual directors will be evaluated annually. If, during the tenure of your directorship, there are any matters which cause you concern about your role you may discuss them with the Chairman of the board. You may also seek the assistance of the Key managerial Personnel's of the Company, as and when required, for effectively discharging your duties.

Outside Interests Including Directorships

It is accepted and acknowledged that you may have business interests other than those of the Company. You are requested to arrange for the disclosures of your interests as a shareholder, director, partner or owner of other companies, body corporate, firms or other entities as required u/s 184 of the Companies Act 2013, as may be amended from time to time. Please ensure that the Company is kept informed of any changes to your interests from time to time. The Board of the Company, on the basis of certificate of Independence submitted by you, has determined you to be independent according to Section 149 and Schedule IV of the Companies Act, 2013.

Induction and Development Processes

As soon as practicable the Company will provide a comprehensive induction programme aimed at broadening your understanding of the Company, its business, and the environment and markets in which it operates. As part of the programme you will meet key management and receive essential board and company information.

All directors are expected to remain current on how to best discharge their responsibilities as directors of the Company including keeping abreast of changes and trends in economic, political, social, financial and legal climates and governance practices.

Directors and Officers Liability Insurance

The Company presently does not have the policy to provide for its directors with the Directors and Officers Liability insurance and the same may be take at the appropriate time as decided by the Board/Committee in future.

Confidentiality

All information acquired during your appointment is confidential to the Company and should not be disclosed either during your appointment or following the expiry of your term or vacation (by whatever means) to third parties except as permitted by law and with prior clearance from the Chairman.

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

Please confirm your acceptance by signing and returning to me the enclosed copy of this letter.

We look forward to your association with us.

Yours sincerely,

For **Alkali Metals Limited**

Y.S.R. Venkata Rao
Managing Director
DIN: 00345524

ANNEXURE – I

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 his 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. Reappointment:

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.