



Creative Castings Limited

DRAFT OF APPOINTMENT LETTER TO BE ISSUED TO INDEPENDENT DIRECTOR

Date: DD/MM/YYYY

To,

_____ (Name of Director)
_____ (Residential Address)

Dear Sir/Mam,

Sub: Formal Letter of Appointment for Independent Director with reference to circular No. 14/2014

It gives us immense pleasure to inform you, on behalf of Board of Directors, that the members of the Creative Castings Limited (“the Company”) at its General Meeting held on DD/MM/YYYY, on the recommendation of the Board of Directors of the company and the Nomination and Remuneration Committee have appointed you as an Non-Executive Independent Director pursuant to proviso of Section 149 and 152 of the Companies Act, 2013 (“the Act”) and the Rules made thereunder.

As required under section 149 (7) of the Companies Act, 2013, we now request you to Provide a declaration that you meet the criteria of independence as provided under section 149(6). For this purpose, we are suggesting a format as enclosed as **Annexure ‘A’**, which would meet the requirements of both Companies Act, 2013.

Further, as stipulated under the Companies Act, 2013, the appointment of Independent Directors shall be governed by the Schedule IV to the Companies Act, 2013 - ‘Code For Independent Directors’, enclosed to this letter as **Annexure ‘B’**, which primarily covers:-

- a) **Guidelines of professional conduct**
- b) **Role and functions**
- c) **Duties**
- d) **Manner of appointment**
- e) **Re-appointment**
- f) **Resignation or removal**
- g) **Separate meetings**
- h) **Evaluation mechanism**

The terms of the Appointment, which in any event shall be subject to Companies Act, 2013, Rules made thereunder and the Articles of Association of the Company, are set out below, as stipulated in Schedule IV to the said Act.



Creative Castings Limited

I. Appointment:

1. The Appointment is for a term of five consecutive years, expiring at the conclusion of DD/MM/YYYY (the “Termination Date”). The Appointment will be subject to the approval of shareholders at the general meeting of the Company.
2. During your tenure as an Independent Director, you may be asked to serve on one or more of the Board committees. Copies of the terms of reference for each of those committees would be provided to you at the appropriate time, if not already provided for.
3. You will strictly abide by the Code for Independent Directors referred to above.
4. The Company expects a commitment of sufficient time and attention as necessary in order to perform your duties under the Appointment. This will include attendance at regular and emergency Board meetings, any annual meeting of Independent Directors and the Annual General Meeting. You may also be required to attend regular meetings of any Board committee(s) of which you are a member. In addition, you will be expected to devote appropriate preparation time ahead of each meeting.
5. By accepting the Appointment, you confirm that you are able to allocate sufficient time to perform your role.
6. The Company is at liberty to disengage Independent Director before the expiry of term of office, subject to compliance of relevant provisions of the Act.

II. Roles and Duties

Your role and duties will be those as specified for an Independent Director under the Act.

You are expected to bring objectivity and independence of view to the Board’s discussions and to help provide the Board with effective guidance in relation to the Company’s strategy, performance and risk management as well as ensuring high standards of financial probity and corporate governance.

III. Remuneration

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 from time to time. Further, you will also be paid remuneration by way of commission as may be approved by the Board and Shareholders from time to time.

Payment of sitting fees and commission shall at all times be subject to the provisions of the Companies Act, 2013 and Rules thereunder and such amendments, as may be made thereto from time to time and other Acts and Rules as may be applicable.



Creative Castings Limited

IV. Reimbursement:

In addition to the remuneration described in the superseding clause, the Company will for the period of your appointment, reimburse you for travel, hotel and other incidental expenses incurred by you in the performance of your role and duty. You may submit any details of expenses incurred to the Company Secretary / CFO of the Company.

During the Appointment, circumstances may arise in the furtherance of your duties as a Director when it will be appropriate for you to seek advice from independent advisors at the Company's expense. The Company will reimburse the full cost of expenditure incurred as deemed necessary.

V. Other Directorships and Business Interests:

The Company acknowledges that you may have business interests other than those of the Company and that you may have declared any conflicts that are apparent at present. In the event that you become aware of any potential conflicts of interest, not declared so far, these may be disclosed to the Chairman and Company Secretary as soon as they become apparent.

During the Appointment, you may please inform us prior to accepting any other (or further) directorships of publicly quoted companies or any major external appointments, to avoid any conflict of interest with your current position in the Company.

VI. Dealing in Securities of the company:

You are required to ensure the compliance with the Code of Conduct for Prevention of Insider Trading in securities of Creative Casting Limited (CCL). You should avoid making any statements about the Price Sensitive Information that might risk a breach of these requirements, without prior clearance from the Chairman.

VII. Confidentiality:

You must apply the highest standards of confidentiality and not disclose to any person or company (whether during the course of the Appointment or at any time after its termination) any confidential information concerning the Company and any Group Companies with which you come into contact by virtue of your position as a Non-Executive Independent Director of the Company.

Your attention is drawn to the requirements under both legislation and regulation as to the disclosure of price-sensitive information. Consequently you should avoid making any statements that might risk a breach of these requirements without prior clearance from the Chairman.

On termination of the Appointment, you will deliver to the Company all books, document, papers and other property of or relating to the business of the Company



Creative Castings Limited

which are in your possession, custody or power by virtue of your position as a Non-executive Independent Director of the Company.

VIII. Disclosure

During your tenure as an Independent Director, at the first meeting of the Board and at subsequent meetings or whenever there is any change in the circumstances which may affect your status as an Independent Director, you shall give a declaration to that effect confirming that you meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013, as well as the disclosure as to relatives, other directorships, status on the disqualification of directorship, etc. in the formats as specified under the Companies' Act, 2013 and the rules made thereunder.

IX. Independent Directors' Meetings

The Board's policy is to have regular "independent directors only" meetings so that they can have a full and frank discussion on the performance of the Company, the risks faced by the Company and the performance of the executive / non-executive members of the Board. The Chairman of the meeting shall be decided by the independent directors present at the meeting and if not so decided then the senior most Independent Director of the Board presides over such meetings.

X. Performance Review Process

The performance of individual Directors and the whole Board and its Committees shall be evaluated by the Remuneration & Nomination Committee. If, in the interim, there are any matters arising in connection with your role as a Non-Executive Independent Director which cause you concern, you may discuss with us as soon as appropriate.

XI. Induction:

The management will be organizing a suitable training programme for Independent Directors to familiarize them with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc. The dates of the training programme will be intimated to you sufficiently in advance.

XII. Termination:

You may resign as a Director at any time in the manner as provided under the Act. Your appointment may also be terminated in accordance with the provisions of the Act.

XIII. Governing Law:

This Letter is governed by and will be interpreted in accordance with Indian Law and your engagement shall be subject to the jurisdiction of the Indian courts.



Creative Castings Limited

The aforesaid terms and conditions of your appointment may be varied from time to time in accordance with amendments to the Act, and any other applicable legislation, if any.

Please confirm your agreement to the above by signing and returning to us the enclosed duplicate copy of this letter.

XIV. Miscellaneous:

This letter shall not constitute a contract of employment.

This is a model letter of appointment for Independent Director and subject to amendments.

For, Creative Castings Limited

D. H. Dand
Chairman
DIN: 00416724



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Annexure-A

FORMAT FOR DISCLOSURE

23/05/2016

To,
The Board of Directors,
Creative Castings Limited
102 G I D C Phase-Ii Rajkot Road,
Dolatpara, Junagadh-362037.
Gujarat

Sub: Declaration under Section 149(7) of the Companies Act, 2013 read with Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I, _____ (full name of Independent Director), am a Non-executive Director of Creative Castings Limited ('the Company') and I comply with all the criteria of independent director envisaged in Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149(6) of the Companies Act, 2013; I do hereby declare that:

1. I am not less than 21 years of age;
2. I am not a promoter of the company or its holding, subsidiary or associate company;
3. I am not anyway related to any promoters or directors in the company, its holding, subsidiary or associate company;
4. I have/had no pecuniary relationship, apart from receiving sitting fees, with the company, its holding, subsidiary or associate company, or their promoters or directors, during the two immediately preceding financial years or during the current financial year;
5. none of my relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters or directors, exceeding the threshold as provided under Section 149(6)(d) of the Companies Act, 2013, during the two immediately preceding financial years or during the current financial year;



Creative Castings Limited

6. Neither me nor any of my relatives :-

- 6.1 holds or has held the position of a key managerial personnel or is or has been an employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
- 6.2 is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he/she is proposed to be appointed of—
 - 6.2.1 a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - 6.2.2 Any Legal or Consulting firm that has or had any transaction with the company, its holding, subsidiary or Associate Company amounting to ten percent or more of the gross turnover of such firm;
- 6.3 Holds together with his/her relatives 2% or more of the total voting power of the company.
- 6.4 is a Chief Executive or director, by whatever name called, of any nonprofit organisation that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
- 6.5 is a material supplier, service provider or customer or a lessor or lessee of the Company;

Thanking you,

Yours faithfully,

Date: DD/MM/YYYY

Palce: _____

_____(Name of Director)

Director

DIN: _____



SCHEDULE IV
[See Section 149(8)]
CODE FOR INDEPENDENT DIRECTORS

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;



Creative Castings Limited

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



Creative Castings Limited

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. Re-appointment:

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.



Creative Castings Limited

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.

❀ END ❀