

Date:  
Name of Director  
Address (of the Independent Director)

*Subject: Appointment as an Independent Director of Valueattics Reinsurance Limited*

Dear Sir,

We are pleased to inform you that the Shareholders of Valueattics Reinsurance Limited ("the Company") at their \_\_\_\_\_ Annual General Meeting (AGM) held on \_\_\_\_\_(date) have approved your appointment as an Independent Director of the Company with effect from \_\_\_\_\_(date).

Your appointment as an Independent Director is in accordance with and subject to the provisions of the Companies Act, 2013 (the "Act"), the Rules made thereunder, the Insurance Act, 1938, guidelines, circulars, regulations issued by Insurance Regulatory and Development Authority of India ("IRDAI") and Articles of Association of the Company.

The terms and conditions of your appointment and your roles and responsibilities are outlined in the enclosed Annexure, which forms an integral part of this letter.

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

Yours sincerely,  
For Valueattics Reinsurance Limited

<<Name>>  
*Chairman*

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I have read and I agree to the terms regarding my appointment as an Independent Director of Valueattics Reinsurance Limited.

Signature  
<<Name of Independent Director>>  
DIN:<<>>

## **Annexure**

Ref: Letter of Appointment of <<Name of Director>> (DIN:<<>>) as Independent Director of Valueattics Reinsurance Limited dated <<>>.

### ***Terms and Conditions of appointment as an Independent Director***

#### **Appointment**

- 1) Your appointment is effective from <<Date>> till <<Date>>.
- 2) During your tenure as an Independent Director, you may be asked to serve on one or more of the Board Committees.

#### **Time Commitment**

- 3) 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 of which you are a member. In addition, you will be expected to devote appropriate preparation time ahead of each meeting.
- 4) By accepting the Appointment, you confirm that you are able to allocate sufficient time to perform your role.

#### **Role & Duties**

- 5) As an Independent Director you have the same general legal responsibilities to the Company as any other Director, except that you shall be held liable only in respect of such acts of omission or commission by the Company which had occurred with your knowledge, attributable through board processes and with your consent or connivance or where you had not acted diligently.
- 6) You will adhere to the following duties of Directors, which are more specifically stipulated in Section 166 of the Act, which states that:
  - (i) Subject to the provisions of this Act, a Director of a Company shall act in accordance with the Articles of Association of the Company.
  - (ii) 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.
  - (iii) A Director of a Company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.

- (iv) 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.
- (v) 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 any undue gain, he shall be liable to pay an amount equal to that gain to the company.
- (vi) A Director of a Company shall not assign his office and any assignment so made shall be void.

### ***Remuneration***

- 7) Unless decided otherwise, you will be paid sitting fee for your services as an Independent Director of Rs. 50,000 for attending every Board Meeting and every Committee meeting as a member along with reimbursement of expenses towards travelling and hotel accommodation for attending these meetings.
- 8) You will have no entitlement to any bonus during the Appointment and no entitlement to participate in any share benefit scheme and no stock options will be issued to you by the Company.

### ***Reimbursement of Expenses***

- 9) In addition to the sitting fee described in herein above, the Company will reimburse you for all reasonable and properly documented expenses you incur in performing your role. You may submit any details of expenses incurred to the Company Secretary.
- 10) During the term of your 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.

### ***Conflict of interests***

- 11) 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.
- 12) During the term of your 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.

### **Code of Conduct & other compliances**

- 13) Your appointment as an Independent Directors shall be governed by the “Schedule IV of the Companies Act, 2013: Code for Independent Directors”, a copy of which is enclosed herewith as **Appendix-A** for your reference. You will strictly abide by the same.
- 14) During the term of your appointment, you will comply with any relevant regulations as may be issued by the Government of India and such other authorized bodies as set up by the Government on its behalf, including role and functions and duties of the independent director provided in Section 166 and Schedule IV of the Act, the Insurance Act, 1938, guidelines, circulars, regulations issued by IRDAI and such other requirements as the Board of Directors may from time to time specify.
- 15) At the first meeting of the Board in every financial year 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 Act, in the format as per **Appendix-B** hereto.

### **Confidentiality**

- 16) 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 / or any of its Group Companies with which you come into contact by virtue of your position as an Independent Director of the Company.
- 17) 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 which are in your possession, custody or power by virtue of your position as an Independent Director of the Company.
- 18) Your attention is drawn to the requirements 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 or the Company Secretary.

### **Performance Review Process**

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

***Insurance***

20) The Company has Directors' and Officers' Liability Insurance policy and it is intended to maintain such cover for the full term of the Appointment.

***Publication of the Letter of Appointment***

21) In line with the provisions of the Act, the Company may make public a generic copy of this letter on its website at [www.valueattics.com](http://www.valueattics.com) and the same shall be open for inspection at the Registered Office of the Company by any Member during normal business hours.

***Miscellaneous***

22) This letter is governed by, and shall be construed in accordance with, the laws of India, and the parties agree to submit to the exclusive jurisdiction of the courts of Pune, India.

23) This letter constitutes neither a contract for services nor a service contract.

## 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;
- (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) act within their 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 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 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.

#### **VII. 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.

#### **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.

**Declaration by Independent Director**

Date:

To  
The Board of Directors  
Valueattics Reinsurance Limited  
12th Floor (East Wing), Phoenix Fountainhead Tower 1, Viman Nagar, Pune - 411014

Subject: Declaration of Independence

Dear Sir/Madam,

As required pursuant to Section 149 (7) of the Companies Act, 2013, I confirm that I meet the criteria of Independence as per Section 149 (6) of the Companies Act, 2013, as amended from time to time.

I also confirm that I am not disqualified from holding the office of Director under Section 164 of the Companies Act, 2013.

I also confirm that I will immediately inform the Company about any change in the foregoing or other facts that may affect my position as an Independent Director of the Company.

Thanking You,

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**Name**

**DIN:**