

To,
The Independent Director

Madam,

Sub:- Appointment of Independent Director

I am pleased to inform you that upon the opinion of the Government of Gujarat, the Board of Directors (“the Board”) of Gujarat State Investments Limited (“the Company” or “GSIL”) has approved your appointment as an Independent Director of the Company. This letter set out terms of your appointment as an Independent Director.

1. Appointment

In accordance with the provisions of the Companies Act, 2013, as amended from time to time and other applicable laws, you will serve as an Independent Director of the Board for period of [●] year upto the conclusion of [●] Annual General Meeting of the Company in the Calendar Year [●] or up to the date of your resignation whichever is earlier. Your appointment is subject to the approval of the shareholders at the Annual General Meeting of the Company.

2. Board Committees

2.1 As advised by the Board, during tenure of office, you may be required to serve on one or more of the committees of the Board established by the Company. Upon your appointment to any one or more committees, you will be provided the appropriate Committee charter which sets out the functions of that Committee.

2.2 Currently, the Board has three committees under the Companies Act, 2013, i.e. Audit Committee, CSR Committee and Nomination and Remuneration Committee and two Committee required under the RBI Regulations, i.e. Asset-Liability Management Committee (ALCO) and Risk Management Committee (RMC). The Board is responsible for constituting, assigning, co-opting and fixing terms of services for the committee members. Normally, the Committee meets four times a year. Recommendations of the committees are submitted to the full Board for approval. The quorum for meeting is either two members of the Committee or one-third of the members of the committee, whichever is higher.

2.3 You have been nominated to serve on the following committees:

(A) [●]

(B) [●]

(C) [●]

3. Role duties and responsibilities

The independent director's roles and responsibilities will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 (including Section 166). There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature.

In addition to the above requirements applicable to all Directors, the role of the Non-Executive Director has the following key elements;

Strategy: Non-Executive Directors should constructively challenge and help in improving proposals on short-term and long-term strategy;

Performance: Non-Executive Directors should scrutinize the performance of management in meeting agreed goals and objectives;

Risk: Non-Executive Directors should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;

People: Non-Executive Directors are responsible for determining appropriate levels of remuneration of Executive Directors and have a prime role in appointing, and where necessary, removing Executive Directors and in succession planning;

Reporting: Non-Executive Directors take responsibility for the processes for accurately reporting on performance and the financial position of the Company; and

Compliance: Non-Executive Directors should keep governance and compliance with the applicable legislation and regulations under review and the conformity of the Company practices to accepted norms.

4. Remuneration

As an Independent Director you shall be paid sitting fees for attending the meeting of the Board and the Committee of which you are a member. The sitting fess for attending each meeting of the Board and its Committee would be as determined by the Board from time to time.

Further, the Company may pay or reimburse to you such fair and reasonable expenditure, as may have been incurred by you while performing your role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by you for attending Board/Committee meetings, AGM, EGM.

5. Term

Being an Independent Director, you will serve for period of [●] year upto the conclusion of [●] Annual General Meeting of the Company in the Calendar Year [●] or up to the date of your resignation whichever is earlier. The Company may disengage Independent Director prior to completion of the term subject to compliance with relevant provisions of the Companies Act, 2013

6. Membership of other boards

It is expected that you will not serve on the Boards of competing companies. Apart from the applicable law and good corporate governance practice, there are no other additional limitations.

7. Cooperation.

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

8. Disclosure of Interest.

The Company must include in its Annual Accounts a note of any material interest that a Director may have in any transaction or arrangement that the Company has entered into. Such interest should be disclosed not later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record the Independent Directors interest appropriately and our records are updated. A general notice that the Independent Director is interested in any contracts with a particular person, firm or company is acceptable.

9. Confidentiality

All information acquired during the appointment is confidential to GSIL and should not be released, either during the Independent Director appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman unless required by law or by the rules of any regulatory body. On reasonable request, the Independent Director shall surrender any documents and other materials made available to the Independent Director by GSIL.

The Independent Director's attention is also drawn to the requirements under the applicable regulations and the Company's Code of Conduct. Consequently the Independent Director should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Board of Directors.

10. Changes of personal details.

During the Term, you 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.

11. Termination or Resignation or Cessation

- A.** The Independent Director may resign from the position at any time and should the Independent Director wish to do so, the Independent Director is requested to serve a reasonable written notice to the Board.
- B.** Continuation of the Independent Director appointment is contingent on the Independent Director getting elected/ re-elected by the shareholders in accordance with provisions of Companies Act, 2013 and rules made thereunder and the Articles of Association of the Company, from time to time in force.
- C.** The Independent Directors appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

Managing Director

AGREE AND ACCEPT

I have read and understood the terms of my appointment as an Independent Director of the Company and I hereby affirm my acceptance to the same.

Name:

Place:

Date: