

On the letterhead of the Company
Draft Director's Letter of Appointment

Date: _____

[insert name of independent director]
[insert address]

Dear Sir,

Re: Your appointment as an Independent Director of Nivedita Mercantile & Financing Limited (“the Company”).

We thank you for your confirmation to **Nivedita Mercantile & Financing Limited** (the “**Company**”) that you meet the “independence” criteria as envisaged in Section 149(6) of the Companies Act, 2013 (“**2013 Act**”) and Clause 49 of the Listing Agreement (as amended vide circular issued by Securities and Exchange Board of India ref no. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 and effective from October 1, 2014) and also for your consenting to hold office as a Director of the Company.

Pursuant to your confirmation, we are pleased to inform you that at the Annual General Meeting held on Monday, 22nd September, 2014, shareholders have approved your appointment as an Independent Director of the Company to hold office for 2 (two) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held in the calendar year 2016.

The terms of your appointment, as set out in this letter, are subject to the extant provisions of the applicable laws, including Companies Act, 2013 and Clause 49 of the Listing Agreement (as amended from time to time).

A. Preliminary

Your appointment is subject to the following:

1. You will submit a declaration in the beginning of every financial year under section 149 (7) of the Act during your tenure stating that you meet the criteria of Independence.
2. So long as you are Independent Director of the Company, the number of Companies in which you hold office as a Director or a Chairman or committee member will not exceed the limit stipulated under the Act and the listing agreement.
3. So long as you are Independent Director of the Company, you will ensure that you do not get disqualified to act as a Director pursuant to the provisions of section 164 of the Act.

4. You will ensure compliance with other provisions of the Act and the listing agreement as applicable to you as an Independent Director.

B. Term

1. Your appointment is for a term of 2 years commencing from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held in the calendar year 2016.
2. In compliance with provisions of Section 149(13) of the Companies Act, 2013, your directorship is not subject to retirement by rotation.
3. Notwithstanding other provisions of this letter, the appointment may be terminated on failure to meet the parameters of independence as defined in Section 149(6) or on the occurrence of any event as defined in Section 167 of the Companies Act, 2013.

C. Committees

You have been appointed on the following committees of the Board (As applicable to the respective director):

- (i)
- (ii)

D. Roles and Duties

1. You will abide by the Guidelines of professional conduct, Role, Function and Duties as an Independent Director as provided in Schedule IV of the Companies Act, 2013 set out at **Annexure-1** hereto.
2. You will not hold office as a Director or any other office in a competing firm/entity.
3. You are expected to stay updated on how best to discharge your roles, responsibilities, and duties and liabilities, as an Independent Director of the Company under applicable laws, including keeping abreast of current changes and trends in economic, political, social, financial, legal and corporate governance practices.
4. You are expected to:
 - (i) take decisions objectively and solely in the interests of the Company;
 - (ii) facilitate Company's adherence to high standards of ethics and corporate behavior;
 - (iii) guide the Board in monitoring the effectiveness of the Company's governance practices and to recommend changes, required if any;
 - (iv) guide the Board in monitoring and managing potential conflicts of interest of management, Board members and stakeholders, including misuse of corporate assets and abuse in related party transactions;
 - (v) guide the Board in ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of

control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.

E. Performance Evaluation

Your reappointment or extension of term and your remuneration will be recommended by the Committee to the Board, pursuant to a performance evaluation carried out by the Board.

F. Remuneration

1. Your annual remuneration will be as under:

- (a) sitting fees for attending each meeting of the Board and its committees as may be determined by the Board from time to time, and
2. You will be entitled to reimbursement of expenses incurred by you in connection with attending the Board meetings, Board Committee meetings, general meetings and in relation to the business of the Company towards hotel accommodation, travelling and other out-of-pocket expenses.

3. Pursuant to applicable law, you will not be entitled to any stock options.

G. Training

You will be entitled to the benefit of a training program to familiarize you with the business and affairs of the Company, growth plans, the peculiarities of the industry in which the Company operates, its goals and expectations and long term plans and objectives.

Please confirm your acceptance by signing, dating, and returning a copy of this letter to the Company.

Yours faithfully,

Director

Agreed and Accepted

[Insert name of independent director]

Annexure 1

Guidelines of professional conduct, Role, Function and Duties as an Independent Director (As provided in Schedule IV of the Companies Act)

Guidelines for Professional conduct:

1. To uphold ethical standards of integrity and probity;
2. To act objectively and constructively while exercising their duties;
3. To exercise their responsibilities in a bona fide manner in the interest of the Company;
4. To devote sufficient time and attention to their professional obligations for informed and balanced decision making;
5. not to allow any extraneous considerations that will vitiate their 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 their 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. To refrain from any action that would lead to loss of their independence;
8. where circumstances arise which make an independent Director lose his independence, the independent Director must immediately inform the Board accordingly;
9. To assist the Company in implementing the best corporate governance practices.

Role and Functions:

1. To assist 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. To bring an objective view in the evaluation of the performance of Board and management.
3. To scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.
4. To satisfy yourself on the integrity of financial information and that financial controls and systems of risk management are robust and defensible.
5. To safeguard the interests of all stakeholders, particularly the minority shareholders.
6. To balance the conflicting interest of the stakeholders.
7. To 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.

Duties:

1. To moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.
2. To undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the Company.

3. To 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.
4. To strive to attend all meetings of the Board including a Separate meeting of the independent director and of the Board committees of which you are a member.
5. To participate constructively and actively in the committees of the Board in which you are chairperson or member.
6. To strive to attend the general meetings of the Company.
7. Where you 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 your concerns are recorded in the minutes of the Board meeting.
8. To keep yourself well informed about the Company and the external environment in which it operates.
9. Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board.
10. To 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.
11. To 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.
12. To report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.
13. To act within your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees.
14. 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.