

NATIONAL FERTILIZERS LIMITED

[Date]

[Name of Independent Director]

[Address of Independent Director]

Sub: Appointment as a Non-Executive Independent Director of National Fertilizers Limited (“The Company”)

Dear Sir, _____,

We refer to your appointment as Independent Director in terms of the Companies Act 2013 and rules framed there under at the AGM held on **5th September, 2014.**

In compliance with the provisions of the section 149 and clause 49 of the listing agreement, this letter sets out the terms of appointment which are as follows:-

1. Appointment

- i. In accordance with the provisions of Section 149 and 152 and other applicable provisions of the Companies Act, 2013 ('Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014 ('Rules'), you are appointed as a Non-Executive Independent Director on the Board of Directors of the Company till
- ii. As an Independent Director, you will not be liable to retire by rotation.
- iii. The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013. The Company is at liberty to disengage Non-Executive Independent Director earlier subject to compliance of relevant provisions of Companies Act, 2013.
- iv. You may resign from your position at any time by serving a reasonable written notice on the Board. In terms of the provisions of Companies Act, 2013, you are required to file a copy of your resignation letter with the Registrar of Companies, Delhi.

2 Training and Development

2.1 You will be invited to attend ongoing training and familiarization sessions for Directors including site visits.

- 2.2 The Board members are provided with necessary documents / brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices.
- 2.3 Periodic presentations are made at the Board and Board Committee meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved.

3. Board Committees

- i. Apart from the existing Committee Membership held by you, you may be nominated on one or more committees of the Board that may be set up in the future. Your appointment on such Committee(s) will be subject to the applicable regulations. The Board may reconstitute the composition of any/all Committees, from time to time, and any such change shall be promptly communicated to you.

4. Role, Duties & Liabilities

- i. The duties and liabilities that come with your appointment would be as per the provisions of Companies Act, 2013 (including Rules there under) and other laws applicable to the Company, Company's policies, Code of Conduct adopted by the Board of Directors for Directors.
- ii. You will apply the highest standards of confidentiality, and not disclose to any person or company (whether during the course of the tenure as Non-Executive Independent Director or at any time after its cessation), any confidential information concerning the Company and any Group Companies with which you come into contact by virtue of your position as a Director, except as permitted by law or with prior clearance from the Board of Directors.
- iii. As a Non-Executive 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 a company which had occurred with your knowledge, attributable through board processes and with your consent or connivance or where you had not acted diligently.
- iv. You will adhere to the following duties of directors, which are more specifically stipulated in Section 166 of the Companies Act, 2013–
- a. To act in accordance with the Articles of the Company subject to the provisions of this Act
- b. To 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.
- c. To exercise the duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- d. Not to 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.

- e. Not to 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.
- f. Not to assign director's office and any assignment so made shall be void.

5. Fees

- i. You shall be entitled to payment of fees for attending the Board and Committee meetings as decided by the Board of Directors, within limit prescribed under the Rules made under the Companies Act, 2013.
- ii. The present sitting fees is Rs.10,000 /- per meeting of the Board and/or Committee, which can be amended by the Board from time to time.

6. Reimbursement of Expenses

In addition to the fees described in point No.5 above, you will be entitled to the reimbursement of actual expenses in connection with attending the Board & Committee meetings including but not limited to travelling and lodging expenses on actual basis. In addition, the Company will reimburse you for all reasonable and properly documented expenses you may incur, in performing your role.

7. Relatives

You shall ensure that none of your relatives shall have any pecuniary relationship or transaction with the Company or its holding, subsidiary or associate company or their promoters or directors, amounting to two percent or more of its gross turnover or total income or Rs. 50 lacs or such higher amount as may be prescribed under the Companies Act, whichever is lower, during the two immediately preceding financial years or during the current financial year.

8. Code of Conduct & other compliances

- i. During the 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 the Code for Independent Directors, Insider Trading Code and such other requirements as the Board of Directors may from time to time specify.
- ii. 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) or any other applicable provisions of the Companies Act 2013 as may be amended from time to time.

9. Directors' & Officers' Insurance

The Company shall obtain a Directors' and Officers' Liability Policy.

10. Indemnity:

The Directors are granted indemnity from the company in respect of liabilities incurred as a result of their office to the extent permitted by law and terms & conditions of appointment of Directors.

11. Relationships

- 18.1 The appointment constitutes neither a contract for services nor a service Contract.
- 18.2 There will be no relationship of employer and employee as a consequence of appointment as a director of the Company.

12. Evaluation Processes

Your performance evaluation shall be done by the entire Board of Directors, without your participation.

13. Conflict of Interest:

- i. You are requested to declare any business interest in the other company in the form of directorships, appointments and interest to the Board in writing in the prescribed form, from time to time.
- ii. In the event that your circumstances seem likely to change and might give rise to conflict of interest or when applicable, circumstances that might lead the Board to reverse its judgment that you are independent, this should be disclosed to the Board of Directors of the Company.

14. Publication of the letter of appointment

In line with provisions of the Companies Act, 2013, the Company may make public a generic copy of this letter on its website.

15. General:

This letter and any non-contractual obligations arising out of or in connection with this Letter are 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 Delhi, India.

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

Yours Sincerely,
For and on behalf of Board of Directors of
National Fertilizers Limited

Agreed and Accepted

Name of Independent Director
DIN: _____