

# AVON MERCANTILE LIMITED

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## Letter of Appointment as an Independent Director

Day, Month, 2023

Mr./Ms.

Address of Independent Director,

Dear Mr. Ms,

**Sub: Appointment as an Independent Director of Avon Mercantile Limited (the "Company")**

On behalf of the Company, I wish to inform you that the Board in its meeting held on (Date of appointment) has appointed you as an Additional Director (Independent) of the Company, with effect from (Date of appointment). The terms of your appointment shall be subject to the provisions contained in the Companies Act, 2013 and the Articles of Association of the Company.

Subject to the detailed terms of this letter, as an Additional Director (Independent) you will hold office upto the date of the ensuing Annual General Meeting of the Company. The proposal of your appointment as an Independent Director, by the shareholders of the Company, will be placed in the ensuing Annual General Meeting under the provisions of the Companies Act, 2013 for a term of upto 5 consecutive years.

### **Appointment**

1. Your appointment as a Non-Executive Independent Director on the Board of Directors of the Company is subject to the provisions of the Companies Act, 2013.
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 in accordance with the provisions of the Articles of Association of the Company or 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.
4. Upon termination or upon your resignation for any reason, duly intimated to the Company, you will not be entitled to any compensation for loss of office.



avonsecretarial@gmail.com

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201301 (U.P.)

## **Time Commitment**

1. As a Non-Executive Independent Director you are expected to bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective leadership in relation to the Company's strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance. You will be expected to attend Board Meeting and Board Committees Meetings to which you may be appointed and Shareholders meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively.
2. By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.

## **Role and Duties**

3. Your role and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013. There are certain duties prescribed for all Directors, both Executive and Non-Executive which are as under. You shall also abide by the "Code for Independent Directors" as laid down in Schedule IV of the Companies Act, 2013 and attached herewith as **Annexure "A"** for your ready reference.
  - I. You shall act in accordance with the Company's Articles of Association as may be amended from time to time.
  - II. You 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 interest of the Company, its employees, the shareholders, the Community and for the protection of environment.
  - III. You shall discharge your duties with due and reasonable care, skill and diligence and shall exercise Independent judgement.
  - IV. You shall not involve yourself in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
  - V. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
  - VI. You shall not assign your office as Director and any assignment so made shall be void.

## **Status of Appointment**

4. You will not be an employee of the Company and this letter shall not constitute a contract of employment. 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 and approved by the Shareholders from time to time, if required.
5. You will have no entitlement to any bonus during the appointment and no entitlement to participate in any employee stock option scheme operated by the Company or any Group Company except as may be permitted by the Companies Act, 2013.

## **Reimbursement of Expenses**

6. In addition to the remuneration described above, the Company will, for the period of your appointment, reimburse you for legitimate travel, hotel and other incidental expenses incurred by you in the performance of your role and duties.

## **Conflict of Interest**

7. It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to your appointment commencing, you are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment and also about the changes that may happen from time to time.
8. In the event that your circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgement that you are independent, this should be disclosed to the Board.

### **Evaluation**

9. As a member of the Board, your performance as well as the performance of the Board as a whole and its Committees shall be evaluated annually. Evaluation of the performance of each Director shall be done by all other Directors. Your appointment and re appointment on the Board shall be subject to the outcome of the yearly evaluation process.

### **Disclosure of Interest**

10. Any material interest that a Director may have in any transaction or arrangement that the Company has entered into should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record your interest appropriately and our records are updated. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable. During your appointment, you agree to promptly provide an annual declaration under Section 149(7) of the Companies Act, 2013 regarding status of your independence and also upon change in circumstances which may affect your status as an Independent Director.

### **Code of Conduct**

11. During the appointment you are requested to comply with regulations as contained in Schedule IV under Companies Act, 2013 and attached herewith as **Annexure "A"** for your ready reference.

### **Confidentiality**

12. All information acquired during your appointment is confidential to the Company and should not be released, either during your appointment or following termination (by whatever means) to third parties without prior clearance from the Board unless required by law or by the rules of any stock exchange or regulatory body. In such a case, you will promptly inform to the Board about such disclosure before it will be made to any third party. On reasonable request, you shall surrender any documents and other materials made available to you by the Company.
13. Your attention is also drawn to the requirements under the applicable regulations and the Group Companies Insider Trading Code, as may be applicable, which concern the disclosure of price sensitive information and dealing in the securities of the Company. Consequently you should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Board.

### **Publication of the Letter of appointment**

14. In line with the provisions of Clause IV, Sub Clause (5) & (6) of Schedule IV, under Companies Act, 2013, the Company will make public the terms and conditions of your appointment and will also arrange for it to be displayed on the Company's website.

### **Membership of Committees**

15. The Board of Directors may appoint you as Member/Chairman of one or more of its Committees which will be covered in a separate communication setting out the relevant committee's terms of reference and any specific responsibilities.

**Termination**

16. You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice on the Board. In terms of provisions of the Companies Act, 2013, you are required to file a copy of your resignation letter with the Registrar of Companies.

17. Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013 and the Articles of Association of the Company, from time to time in force. You will not be entitled to compensation if the shareholders do not re-elect you at any time.

18. Your appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

**General**

19. 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 Noida.

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

Yours sincerely  
**For and on behalf of Avon Mercantile Limited**

\_\_\_\_\_  
**Name of Director**

**(Director)**

**DIN: xxxxxxxx**

**Address:**

I have read and agree to the above terms regarding my appointment as an Independent Director of AVON MERCANTILE LIMITED.

Signed .....

**Mr./Ms.**

**Independent Director**

(DIN: xxxxxxxx)

Dated: Day Month, 2023

**Encl: Code for Independent Directors – Annexure “A”**