



# INTER STATE OIL CARRIER LIMITED

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CIN-L15142WB1984PLC037472

Date:

To,

\_\_\_\_\_

**Sub: Appointment as Non-Executive Independent Director under Companies Act, 2013**

Dear Sir,

We are pleased to inform you that your appointment as an Independent Director on the Board of Directors of Inter State Oil Carrier Limited (hereinafter referred to as 'the Company') for a period of 5 years has been approved at the \_\_\_\_\_ Annual General Meeting of the Members of the Company held on \_\_\_\_\_. This letter of appointment sets out the terms and conditions covering your appointment, which are as follows:

## **1. Appointment**

1.1 As approved by the members at the \_\_\_\_\_ Annual General Meeting of the Company, you shall hold office for a term of 5 consecutive years w.e.f \_\_\_\_\_ till \_\_\_\_\_. You may be reappointed for another one term of 5 consecutive years on passing of a special resolution by the Company as per the provisions of Companies Act, 2013 and rules made there under read with SEBI (LODR) Regulation, 2015.

1.2 The term "Independent Director" should be construed as defined under Section 149 of the Companies Act, 2013 and Regulation 25 of the SEBI (LODR) Regulation, 2015(as amended from time to time)

1.3 The Company has adopted the provisions with respect to appointment and tenure of Independent Directors as are consistent with the Companies Act, 2013 and the SEBI (LODR) Regulation, 2015. The Company is at liberty to disengage a Non-Executive Independent Director earlier subject to compliance of the relevant provisions of the Companies Act, 2013 and the SEBI (LODR) Regulation, 2015.

1.4 As an Independent Director you are not liable to retire by rotation.

## **2. Committees**

The Board of Directors (the Board) may, if it deems fit, invite you for being appointed on one or more existing Board Committees.

## **3. Time Commitment**

3.1 As a Non-Executive 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.

3.2 By accepting this appointment, you confirm that you are able to devote sufficient time to meet the expectations from your role to the satisfaction of the Board.

## **4. Expectation of the Board**

Under the Companies Act 2013, there are a number of statutory duties, which are the personal responsibility of each director and not the Company. The Company expects that in discharge of your duties as a Director of the Company, you will take care of the following

4.1 Subject to the provisions of Companies Act, 2013, you will act in accordance with the Articles of the company.

4.2 You will 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 members, the community and for the protection of environment.

4.3 You will exercise your duties with due and reasonable care, skill and diligence and shall exercise Independent judgment.

As an Independent Director, you are also expected to ensure the following:

- a. To undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the company;
- b. 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;
- c. To strive to attend all meetings of the Board of Directors and of the Board committees of which you are a member;
- d. To participate constructively and actively in the committees of the Board in which you are a chairperson or member;
- e. To strive to attend the general meetings of the company;
- f. Where you have concerns about the running of the company or a proposed action, you should ensure that these are addressed by the Board and, to the extent that they are not resolved, you may ensure that your concerns are recorded in the minutes of the Board meeting;
- g. To keep yourself well informed about the Company and the external environment in which it operates;
- h. Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- i. 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;
- j. 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;
- k. To report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- l. Acting within your authority, to assist in protecting the legitimate interests of the company, members and its employees;
- m. 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.

You will be liable as an Officer-in-default in respect of contravention of any of the provisions of Companies Act, 2013 which you are aware by virtue of the receipt by you of any proceedings of the Board or participation in such proceedings without objecting to the same, or where such contravention had taken place with your consent or connivance.

## **5. Fiduciary duties**

5.1. You shall act in good faith and in the best interest of the Company and must not abuse the trust and confidence placed on you.

5.2. You should disclose the details of your concern or interest in the Companies/Body Corporates/Firms/Association of Individuals in which you may be deemed to be interested.

5.3. You shall disclose your interest, direct or indirect, in all financial and commercial transactions with the Company and shall not participate and vote in the meeting at which the said transactions are considered.

## **6. Code of Business Ethics**

You are expected to comply with the 'Code of Conduct for Board of Directors and Senior Management Personnel' and the 'Code of Conduct for Prevention of Insider Trading' of the Company while discharging your responsibilities and dealing in the trading of shares of the Company.

Further, you are also expected to abide by Code for Independent Directors as per Schedule IV of the Companies Act, 2013.

## **7. Remuneration and expenses**

7.1. You will not be an employee of the Company and this letter shall not constitute a contract of employment. You shall be paid sitting fees for attending the meeting of the Board and Committee thereof at a rate as may be determined / fixed by the Board of Directors from time to time.

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

## **8. Confidentiality**

You will acknowledge that all information acquired during your appointment is confidential to the Company and should not be released, communicated, nor disclosed either during your appointment or following termination (by whatever means), to third parties without any prior clearance.

This restriction shall cease to apply to any confidential information which may (other than by reason of your breach) become available to the public generally.

You will acknowledge the need to hold and retain company information (in whatever format you may receive it) under appropriately secure conditions.

## **9. List of Prohibited Actions**

You should not involve in the following activities while functioning as a Director of the Company:

9.1. Any unethical behavior or action that conflicts with the interest of the Company and that of the shareholders of the Company.

9.2. Abuse your position to the detriment of the Company or its members or for the purpose of gaining direct or indirect personal advantage or advantage of any associated person.

9.3. Entering into any action that would lead to a loss of your independence.

9.4. Trading in shares of the Company during the closure of the Trading Window and disclosure of price sensitive information of the Company as per the Company's Code of Conduct for Prevention of Insider Trading.

9.5. Entering into any transaction in which you may have personal interest directly or indirectly without complying with the requirement in this regard.

9.6. You will not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners, or associates and if you are found guilty of making any undue gain, you will be liable to pay an amount equal to that gain to the company.

9.7. You will not assign your office and any assignment so made shall be void.

## **10. Disclosure of Interest**

You shall disclose material interest that in any transaction or arrangement that the Company has entered into. Such interest 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.

## **11. Evaluation**

The Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors.

## **12. Termination**

12.1. 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 to the Board.

12.2 Continuation of your appointment is contingent on your getting re-elected by the members in accordance with provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 and the Articles of Association of the Company, from time to time in force. You will not be entitled to any compensation if the members do not re-elect you at any time.

12.3. Your appointment may also be terminated in accordance with the relevant provisions of the Articles of Association of the Company.

Yours Sincerely,

**For Inter State Oil Carrier Limited**

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