



# THE INDIAN WOOD PRODUCTS CO. LTD.

Registered Office : 9, Brabourne Road, Kolkata - 700 001

Mr.Sanjay Kumar Maheswary  
21, Sarkar Bye Lane  
Kolkata - 700 007

26<sup>th</sup> May,2015

Dear Sir,

## **Sub: Your Appointment as Independent Director**

You are aware that you had joined the Board in 2009 as an Independent Director and were continuing as such under the Companies Act, 1956. In terms of Sec.149 & 152 and all other applicable provisions of the Companies Act, 2013 it was required to classify and declare you as an Independent Director with the approval of the Shareholders. Accordingly on receipt of your consent / intimation and declaration in prescribed manner board approved and recommended your appointment as an Independent Director through Postal ballot notice dated 28<sup>th</sup> March,2015 seeking necessary approval from the shareholders.

We are glad inform you that your appointment as Independent Director have been approved by the Shareholders in the General Meeting held on 11<sup>th</sup> May,2015. Your appointment is at the following terms and conditions.

### 1.Tennure

Your tenure will be a period up to the date of the 99<sup>th</sup> Annual General Meeting in the Calendar year 2019, And your appointment is not liable to retire by rotation..

### 2. Remuneration

The amount of sitting fees for Board meetings and committee meetings may vary depending on Board's review / discretion from time to time. However at present Board meeting fees is Rs.5,000/- per meeting and there is no sitting fee for committee meeting as decided by the Board for the time being..

Reimbursement of Expenses for participation in the Boards and other Meeting shall be made on actual basis.

### 3. Code for Independent Directors

You will be governed by the Code for Independent Directors of The Indian Wood Products Co Ltd, as Annexed to this Letter of Appointment.

Please acknowledge receipt

Thanking you,

Yours Sincerely  
For The Indian Wood Products Co Ltd

K K Mohta  
Chairman

Encl: Code for Independent Directors.

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## CODE FOR INDEPENDENT DIRECTORS OF

Pursuant to the provisions of section 149(8) and Schedule IV of the Companies Act, 2013 policy of the Company has been framed on code of conduct for Independent Directors

The code contains guidelines of professional conduct, role and functions, duties, manner of appointment, re-appointment, resignation or removal, separate meetings and evaluation mechanism for Independent Directors.

### I. Guidelines of professional conduct:

An independent director shall:

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



## **II. Role and functions:**

The independent directors shall:

- (1) help 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) bring an objective view in the evaluation of the performance of board and management;
- (3) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) balance the conflicting interest of the stakeholders;
- (7) 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;
- (8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

## **III. Duties:**

The independent directors shall—

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) 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;



- (3) strive to attend all meetings of the Board of Directors and of the Board committees of which he /she is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the company;
- (6) where they 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 their concerns are recorded in the minutes of the Board meeting;
- (7) keep themselves well informed about the company and the external environment in which it operates;
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
- (10) 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;
- (11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- (13) not 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.



#### **IV. Manner of appointment:**

- (1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- (2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- (3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made there under and that the proposed director is independent of the management.
- (4) The appointment of independent directors shall be formalised through a letter of appointment, which shall set out :
  - (a) the term of appointment;
  - (b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
  - (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
  - (d) provision for Directors and Officers (D and O) insurance, if any;
  - (e) the Code of Business Ethics that the company expects its directors and employees to follow;
  - (f) the list of actions that a director should not do while functioning as such in the company; and
  - (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.



- (5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- (6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

#### **V. Re-appointment:**

The re-appointment of independent director shall be on the basis of report of performance evaluation.

#### **VI. Resignation or removal:**

- (1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- (2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
- (3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

#### **VII. Separate meetings:**

- (1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
- (2) All the independent directors of the company shall strive to be present at such meeting;
- (3) The meeting shall:
  - (a) review the performance of non-independent directors and the Board as a whole;



- (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**VIII. Evaluation mechanism:**

- (1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- (2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

