

## **Letter of Appointment**

To,

\_\_\_\_\_

### **Sub:- Appointment as an Independent Director on the Board of Directors of BCCL**

Dear Sir,

On behalf of Bharat Coking Coal Limited, we are pleased to inform you that Board of Directors of the Company ("Board") in [.] Board Meeting held on [.] has noted your appointment to act in the capacity of Nom-Official Part time Director (Independent Director) of the Company for a period of [.] with effect from [.] in terms of the letter of appointment issued by [.] Ministry of Coal dated [.]

Please note that your relationship with the Company will not be one of employment and this letter of appointment shall not constitute a contract of employment.

The terms of your appointment, as set out below in this letter, are subject to the applicable provisions of the Companies Act, 2013, as may be amended or substituted from time to time ("**Companies Act**"), Clause 49 of the Listing Agreement, as may be amended or substituted from time to time ("**Listing Agreement**") and other applicable laws.

#### **1. TERM OF APPOINTMENT**

- 1.1 As per the provisions of sub-section 10 of Sec 149 of Companies Act 2013 and other applicable laws, your appointment will be till [.] or until further order from MoC, Govt. of India, whichever is earlier.
- 1.2 As per the provisions of the Companies Act read with the Articles of Association, you, as an Independent Director, shall not be liable to retire by rotation.

#### **2. COMPANY'S EXPECTATION FROM INDEPENDENT DIRECTOR**

- 2.1 You will be expected to devote such time as will be necessary for the proper performance of your duties as an Independent Director on the Board. You shall also be expected to make yourself available for all emergency and regular Board meetings and of committees thereof in which you are a member.
- 2.2 You are expected to acquaint yourself with the Company's operations and business and update yourself regularly.
- 2.3 By accepting this appointment, you undertake that, taking into account all other commitments that you may have, you are in a position to allocate sufficient time to meet the expectations of your role.

#### **3. CRITERIA OF INDEPENDENCE**

- 3.1 Your appointment as an Independent Director is based, *inter alia*, on the declaration given by you in accordance with Section 149(6) of the Companies Act confirming that you are in compliance with the conditions of independence as listed in Section 149(6) of the Companies Act, read with relevant rules, and the Listing Regulations 2015.
- 3.2 You shall at the first meeting of the Board in which you participate as an Independent Director and thereafter at the first meeting of the Board in every financial year or as and when there is a change in circumstances, which may affect your status as an independent director, submit a declaration to the Board that you meet the criteria of independence specified under Section 149(6) of the Companies Act and the Listing Regulations 2015.
- 3.3 You shall disclose any direct or indirect interest, which you may have in any matter being considered at a Board meeting or committee meeting in which you are a member and, save as permitted under the Articles of Association, you shall not vote on any resolution of the Board, or of any of its committees in which you are a member, on any matter where you have any direct or indirect interest.
- 3.4 Unless specifically authorised to do so by the Board, you shall not enter into any legal or other commitment or contract on behalf of the Company.
- 3.5 You shall not hold office:
- (a) as a director (including as an alternate director) in more than twenty companies at the same time; provided that the maximum number of public companies (including private companies that are either holding or subsidiary company of a public company) shall not exceed ten; and
- (b) as an independent director in more than seven listed companies at the same time (provided however, that in case you hold office as a whole time director in a listed company then you shall not hold office as an independent director in more than three listed companies).

#### **4. DUTIES AND LIABILITIES**

- 4.1 As an Independent Director, besides the functions and duties applicable to every director, or the functions or duties of the Board collectively, you shall observe the statutory duties of directors as prescribed in Section 166 of the Companies Act and the duties embedded and prescribed in the code for independent directors provided at Schedule IV of the Companies Act enclosed as **Annexure-I** and in Clause 49 of the Listing Agreement, as a term of this letter of appointment.
- 4.2 As advised by the Board from time to time, during the tenure of your office, you may be required to serve on various committees of the Board. Upon your appointment to any such committees, you shall be provided with the relevant terms of reference which will set out the functions of that committee and your duties as a member of that committee and you will be required to act in accordance with such terms of reference.

4.3 The Board is responsible for constituting, assigning, co-opting and fixing terms of service for committee members. The chairperson of the Board, in consultation with the Company Secretary and committee chairperson, determines the frequency and duration of the committee meetings. Minutes of the committee meetings are submitted to the full Board for its information. The quorum for committee meetings shall be in accordance with the Companies Act, Listing Agreement and Secretarial Standards issued by the Institute of Company Secretaries of India.

4.4 You will be expected to perform your duties, whether contractual, statutory or fiduciary, faithfully, efficiently and exercise the skill and care commensurate with both the functions of your role and your knowledge and experience and with due regard to applicable laws.

4.5 You do not have authority to commit the Company in any way, nor should you make any statements on the Company's behalf or concerning the Company to the media, financial institutions or anyone associated with the stock market or investor community without the express authorisation of the Board. Please note that all media enquiries concerning the Company must be referred immediately to the Chairman of the Company. Further, you shall not take any step or action that will bring or likely to bring disrepute to the Company or affect the Company's interest adversely.

4.6 As an Independent Director, the scheme of the Companies Act now provides that the Independent Director shall be held liable, only in respect of such acts of omission or commission by a company which have occurred with your knowledge, attributable through Board processes, and with your consent or connivance or where you have not acted diligently, and these principles shall govern the liability that you would carry as an Independent Director of the Company.

4.7 In addition, a specific statutory remedy has been prescribed under Section 245 of the Companies Act concerning class action that shareholders or depositors can maintain against a company or its directors for any fraudulent, unlawful or wrongful act or omission or conduct or any likely act of omission or conduct on a director's part. This can result in a claim of damages or compensation as provided in Section 245(1)(g) and (h) of the Companies Act.

## 5. CODE OF BUSINESS ETHICS AND CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

5.1 The Board of Directors of CIL have approved the "Code of Business Conduct & Ethics for Board Members and Senior Management Personnel" which specify the general moral imperatives, specific professional responsibilities and additional duties imperatives for Board members and senior management personnel. The Board has also approved "Code of Conduct for Prevention of Insider Trading". You shall be required to comply with these Codes, copies of which are enclosed as **Annexure-II and III** respectively.

5.2 The Board has also approved a list of Dos & Don'ts for independent directors, which the independent directors are required to observe in the course of performance of their duties as independent directors. A copy of the same is enclosed as Annexure-IV.

5.3 In addition, you will adhere to the following standards of professional conduct while performing your duties as an independent director:

- (a) uphold ethical standards of integrity and probity;
- (b) act objectively and constructively while exercising your duties;
- (c) exercise your responsibilities in a bona fide manner in the interest of the Company;
- (d) devote sufficient time and attention to your professional obligations for informed and balanced decision making;
- (e) not allow any extraneous considerations that will vitiate your 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;
- (f) not abuse your 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;
- (g) refrain from any action that would lead to loss of your independence; (h) where circumstances arise which make you lose your independence, you should immediately inform the Board accordingly; and (i) assist the Company in implementing the best corporate governance practices.

## 6. REMUNERATION

- 6.1 You will be entitled to such sitting fees as approved by the Board from time to time. Currently, as an Independent Director, you shall be paid sitting fee of ₹20,000/- (Rupees Twenty Thousand Only) for every Board/Committee meeting attended by you.
- 6.2 Further, you shall be entitled to reimbursement of expenses incurred by you for the purpose of attending meetings of the Board or the committees, including any travel expense as per the Company's normal policy on reimbursements.
- 6.3 You will be entitled to seek appropriate independent legal advice in relation to Company matters at the expense of the Company during the tenure of your appointment, with the prior approval of the Chairman of the Company.

## 7. PERFORMANCE EVALUATION

Your performance as an Independent Director will be evaluated by the Board, from time to time. The continuation of your appointment as an Independent Director shall be subject to the performance evaluation undertaken by the Board.

## 8. TRAINING OF INDEPENDENT DIRECTORS

On an ongoing basis, the Company will make arrangements for you to develop and refresh your skills and knowledge in areas which are mutually identified as being likely to be required, or of benefit to you, in carrying out your duties effectively. You should endeavor to make yourself available for any relevant training sessions which may be organized for the Board.

## 9. DIRECTORS AND OFFICERS (D AND O) INSURANCE

The Company may seek appropriate Directors' and Officers' liability insurance policy which, if you have opted for, can be recouped by you as a director for the events covered in such policy as per the Company's policy. It is intended to maintain such insurance cover for the term of your appointment, subject to the terms of such policy in force from time to time.

## 10. CONFIDENTIALITY AND COMPETITIVE BUSINESS

10.1 You accept and acknowledge that the business interests of the Company require a confidential relationship between you and the Company and the fullest protection and confidential treatment of financial data, customer information, supplier information, market information, marketing and/ or promotional techniques and methods, pricing information, purchase information, sales policies, employees' lists, policy and procedure information, records, advertising information, computer records, computer access codes, trade secrets, know how, plans and programs, sources of supply, and other knowledge of the business of the Company, irrespective of whether marked as 'confidential' or not (**all of which are hereinafter jointly termed "Confidential Information"**), which has or may in whole or in part be conceived, learned or obtained by you in the course of your tenure as an Independent Director of the Company.

10.2 You hereby agree that you shall not, except in the proper performance of your duties, either during your tenure as an Independent Director of the Company or for a period of [] years after the completion or termination of your appointment with the Company (howsoever caused), directly or indirectly, use, divulge, export, publish or communicate, to any person, other than any person employed by the Company (including, for the avoidance of doubt, any professional or other adviser appointed by the Company, who is required to know the same) any Confidential Information, which has come to your knowledge or which you have received or obtained from or through the Company, except as required by law, a court or tribunal of competent jurisdiction or any applicable regulatory or statutory authority or body, or except as necessarily required in the context of proceedings before any such court, tribunal, or regulatory or statutory authority or body to evidence the proper discharge of your duties as an Independent Director of the Company. This obligation shall be in addition to and not in derogation or substitution of any express or implied duty of confidentiality owed by you to the Company.

10.3 The restrictions contained in this Clause 10 shall cease to apply to any Confidential Information which comes into the public domain otherwise than through your default or which shall have been received by you from a third party entitled to disclose the same to you.

10.4 We confirm that:-

(a) you will be given full access to all information in or about the Company and its affairs which is available to executive directors of the Company;

(b) agendas for Board/committee meetings and all relevant papers which require study before Board/committee meetings will be provided to you in accordance with the provisions of the Companies Act to allow you to consider them in advance of the meetings; and

(c) you will be given access to Chairman/Chief Executive Officer and any functional director of the Company, on a personal basis, whenever you request to see them, with prior appointment.

10.5 In view of the sensitive and confidential nature of the Company's business you agree that for so long as you are an Independent Director of the Company you will not, without the consent of the Board, which shall not be withheld unreasonably, be engaged or interested in any capacity in any business or with any company which is, in the reasonable opinion of the Board, competitive with the business of the Company or its subsidiaries, affiliates or associate companies. In the event that you become aware of any potential conflicts of interest, these should be disclosed to the Chairperson and to the Company Secretary as soon as possible.

## 11. COMPANY RECORDS AND OTHER PROPERTY

You shall, on request at any time and from time to time (and in any event, on termination/expiry of your appointment with the Company), immediately deliver to the Company or its authorised representatives, all keys, passes, credit or charge cards, Confidential Information and all documents, which may be in your possession or control and which relate in any way to the business and affairs of the Company.

## 12. RESIGNATION AND TERMINATION

12.1 Your appointment as an Independent Director shall be terminated with immediate effect in the event:

- (a) you commit a breach of any of your duties, functions and responsibilities or obligations towards the Company under this letter or for reasons prescribed under the Companies Act; or
- (b) you compromise your independence vis-à-vis the Company in any manner whatsoever which will have an impact on the criteria of independence specified in Section 149(6) of the Companies Act.

12.2 you are prevented by illness or incapacity from carrying out your duties for a period exceeding **[three]** consecutive calendar months or at different times for a period exceeding in aggregate **[three]** calendar months in any one period of twelve calendar months or if you become prohibited by law or under the Articles of Association from being an Independent Director of the Company, then the Company may terminate your appointment immediately.

12.3 Without prejudice to paragraphs 12.1 and 12.2 above, the Company may at any time terminate this arrangement by giving a written notice of **one** month to you.

12.4 In case of the Company's termination of your appointment as an Independent Director, you shall submit your resignation as an Independent Director and shall not contest the termination or removal at any general meeting of the Company or seek any other legal recourse under the applicable laws. However, such resignation in any of the above cases, would not absolve you of any liability under applicable laws for the offences which had occurred during your tenure as an Independent Director. Upon the said resignation from directorship, your entitlement to remuneration due but not paid for the relevant year shall be paid on a proportionate/ pro-rata basis. The above is subject to the provisions of applicable laws.

12.5 You may resign from your office by giving [insert number of months] prior written notice to the Company. Upon resignation, you shall in compliance with the provisions of Section

168 of the Companies Act, forward a copy of the resignation along with detailed reasons for resignation to the Registrar of Companies, [West Bengal] within 30 (thirty) days of your resignation in the prescribed manner.

- 12.6 Notwithstanding anything contained herein your appointment will cease immediately in case you incur any of the disqualifications specified under Section 167 of the Companies Act.
- 12.7 Please note that there is no compensation for termination or vacation of office under any circumstances whatsoever.
- 12.8 Upon cessation/termination of your appointment howsoever arising, you shall forthwith or upon request of the Company, resign from office as a director of the Company.

### 13 MISCELLANEOUS

13.1 This letter along with its Annexures and the Articles of Association, constitute the entire terms and conditions of your appointment and supersedes any previous arrangement between yourself and the Company.

13.2 The Company has a right to change the terms of this letter from time to time in accordance with applicable laws.

13.3 The terms and conditions of this letter along with your detailed profile shall be made publicly available by the Company in accordance with the provisions of the Companies Act and the Listing Agreement and by accepting the terms and conditions of your appointment you would have consented to the terms and conditions of this letter being publicly available.

### 14. GOVERNING LAW

This letter shall be governed by and construed in accordance with the laws of India and you submit to the exclusive jurisdiction of the courts at [Kolkata] as regards any claim or matter arising in connection with the terms of this letter.

### 15. ACCEPTANCE OF APPOINTMENT

I am confident that your association, expertise and advice will immensely benefit the Company and the Board and I am eager to have you as an integral part of the growth of our Company. If you are willing to accept these terms of appointment set out in this letter, request you to confirm your acceptance by signing and returning the enclosed copy of this letter.

Yours sincerely,

For and on behalf of Bharat Coking Coal Limited,

[.]

Company Secretary,

# भारत कोकिंग कोल लिमिटेड

(एक मिनिरातना कंपनी)

(कोल इण्डिया लिमिटेड की एक अनुषंगी कंपनी)

(भारत सरकार का उपक्रम)



## Bharat Coking Coal Limited

(A Miniratna Company)

(A Subsidiary of Coal India Limited)

(A Government of India Undertaking)

Enclosed:

Annexure I - Role and Duties.

Annexure II - Code of Business Conduct & Ethics for Board Members and Senior Management Personnel.

Annexure III- Code of Conduct for Prevention of Insider Trading.

Annexure IV- List of Dos and Don'ts.

Annexure IV- Articles of Association

We are also sending herewith various forms, which you may kindly fill up and arrange to return the same at your earliest convenience, duly signed, to enable us to take further necessary action including filing statutory returns with authorities within the time limit. Details regarding the same are provided in the accompanying covering letters. In case of any query please feel free to contact the undersigned/Company Secretary.



# भारत कोकिंग कोल लिमिटेड

(एक मिनीरतन कंपनी)

(कोल इण्डिया लिमिटेड की एक अनुषंगी कंपनी)

(भारत सरकार का उपक्रम)



# Bharat Coking Coal Limited

(A Miniratna Company)

(A Subsidiary of Coal India Limited)

(A Government of India Undertaking)

## -----CONFIRMATION-----

I confirm and agree to the terms of my appointment as an Independent Director of Coal India Limited as set out in this letter dated \_\_\_\_\_

\_\_\_\_\_  
( \_\_\_\_\_ )

Date:

