

Date: November 05, 2020

Dear Burhanuddin Ali Husain Maksi wala,

**Sub: Appointment as Independent Director**

I am pleased to inform you that, the Board of Directors ('the **Board**') of EKI Energy Services Limited ('the **Company**') have approved your appointment as an Independent Director of the Company ('**Independent Director**').

This letter sets out the terms of your appointment.

**1. Appointment**

In accordance with the provisions of the Companies Act, 2013, and other applicable laws (hereinafter referred to as "Relevant Laws"), you will serve as an Independent Director of the Board for a period of 1 (One) year with effect from November 04, 2020 up to the conclusion of the next Annual general Meeting. Your appointment is subject to the approval of shareholders.

**2. Training of the Board**

Every new independent director of the Board attends an orientation program. Presentations are made by whole-time directors / senior managerial personnel. The presentations cover an overview of our strategy and operations to familiarize the new inductees about the strategy, operations and functions of our Company. The orientation program will cover the following topics-

- Company's strategy
- Operations
- Service offerings
- Markets
- Organization structure
- Finance
- Human Resources
- Risk management

The Company has a program to help our directors to improve their expertise in governance by providing training.

**3. Professional Conduct**

As an Independent director, you shall:

- uphold ethical standards of integrity and probity;
- act objectively and constructively while exercising your duties;
- exercise your responsibilities in a bona fide manner in the interest of the Company;
- devote sufficient time and attention to your professional obligations for informed and balanced decision-making;

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An ISO 9001:2015 certified organisation  
CIN - L74200MP2011PLC025904  
GSTIN - 23AACCE6986E1ZL  
UAM (MoMSME) - MP-23-0014187



- (e) not allow any extraneous considerations that may 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 could lead to a loss of your independence;
- (h) ensure that if circumstances arise under which you may lose your independence, you will immediately inform the Board accordingly, and
- (i) Assist the Company in implementing the best corporate governance practices.
- (j) Also abide by the confidentiality process/manual of the company and ensure its strict compliance.

#### **4. Functions, Responsibilities and Duties of Directors**

##### 4.1. Functions

- (a) To review the Company's strategy, the annual financial plan and monitor the Company's performance:  
The primary role of the members of the Board is to exercise their business judgment to act in what they believe to be the best interests of the Company and its shareholders. It is the duty of the Board to ensure that the Management performs with competence and values to achieve the objectives of Company. Generally, the Board meets once a quarter. The quarterly meeting of the Board includes updates on the business, financial and business-enabler functions and discussions on such updates. The Board reviews the Company's financials and recommends the same for its acceptance. The Board monitors the Company's performance against its annual financial plan at its quarterly meetings as well as at the end of the financial year.
- (b) To review management performance and compensation:  
The Board evaluates the performance of the executive officers of the Company and recommends their compensation for the ensuing year to the Board of Directors. Such compensation may include stocks, options and variable pay.
- (c) To review and decide on succession planning of executive officers of the Company:  
The Board works to develop an orderly plan for the succession of leadership of the Board and the executive officers of Company. Further develops contingency plans for succession in the case of exigencies.
- (d) To advice and counsel the Management:  
The Board should be composed of individuals whose knowledge, background, experience and judgment are valuable to the Company. They should also be capable of providing advice to the executive officers of the Company. Members of the Board have full access to the Management (executive officers) and other employees as well as to the Company's records and documents. The Board may also seek legal or other expert advice from a source independent of the Management.
- (e) To monitor and manage potential conflicts of interests of the Management:  
The Board reviews and approves related party transactions, as required under the applicable laws and / or the rules of the regulatory authority or any government agencies applicable to the Company.



- (f) To oversee and ensure the integrity of financial information and legal compliance:

The Board oversees the Company's accounting and financial reporting processes and the audit of the Company's financial statements and assists in the overseeing of (1) the integrity of the Company's financial statements, (2) the Company's compliance with legal and regulatory requirements, (3) the independent auditor's qualifications, independence and performance, and (4) the Company's internal accounting and financial controls.

#### 4.2. Responsibilities

Independent directors have the same general legal responsibilities to the Company as that of any other director. The Board, as a whole, is collectively responsible for ensuring the success of the Company by directing and supervising the Company's affairs.

The Board:

- (a) provides entrepreneurial leadership of the Company within a framework of prudent and effective controls which enable risk to be assessed and managed;
- (b) sets the Company's strategic aims, ensures that the necessary financial and human resource requirements are in place for the Company to meet its objectives, and reviews management performance;
- (c) sets the Company's values and standards, ensures that its obligations to its shareholders and others are understood and met by the Company.

In addition to the criteria mentioned in the previous sections for the induction of directors, the role of independent directors also includes tracking, reviewing and providing feedback on:

- (a) Strategy: Independent directors to constructively contribute to the development of the Company strategy;
- (b) Performance: Independent directors to oversee the performance of the Management in meeting agreed goals and objectives and monitor the reporting of performance;
- (c) Risk: Independent directors to evaluate and ensure that financial information is accurate, and that financial controls and systems of risk management are robust and defensible;
- (d) People: Independent directors responsible for determining the appropriate levels of remuneration of Whole-time directors and the process of succession planning. They also have a prime role in appointing, and, where necessary, removing senior management.
- (e) Stakeholders: Independent directors to balance the conflicting interest of the stakeholders, including minority shareholders. In the event of any conflict, they shall moderate and arbitrate in the interest of the Company as a whole.

#### 4.3. Duties

As an Independent Director, you shall:

- (a) undertake the appropriate induction into the Board and regularly update and refresh your skills, knowledge and familiarity with the Company;
- (b) Enroll yourself into an online data bank and pass an online self-assessment proficiency test conducted by the Indian Institute of Corporate Affairs, within stipulated timelines, as may be applicable
- (c) seek appropriate clarification and, where necessary, seek and follow appropriate professional advice from external experts at the expense of the Company;
- (d) strive to attend every meeting of the Board and of the Board committees of which you are a member;
- (e) actively and constructively participate in the Board committees of the Board in which you may be a member or the Chairperson;
- (f) strive to attend the general meetings of the Company;



- (g) ensure that any concerns that you may have about the running of the Company are addressed by the Board and seek inclusion of these concerns in the Board minutes to the extent these concerns are not resolved;
- (h) keep yourself well informed about the Company and the external environment in which it operates;
- (i) not unfairly obstruct the functioning of an otherwise proper Board or committee;
- (j) ensure that related party transactions are considered carefully before they are approved and are in the interest of the Company;
- (k) ensure that the whistleblower function of the Company is functioning adequately;
- (l) report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics;
- (m) within your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees, and
- (n) not disclose any confidential information unless such disclosure is expressly approved by the Board or required by law.

#### 5. Fees

The compensation of the non-executive/independent directors is approved at a meeting of the Board. The total compensation payable to the entire group of non-executive/independent directors is limited to a fixed amount per year determined by the Board. This amount shall not exceed 1% of the net profit of the Company for the year calculated as per the provisions of the Companies Act, 2013. The payment of sitting fees to non-executive/Independent directors is mutually decided by the Board of directors.

#### 6. Term

Independent directors are eligible to serve for a period of two terms of up to 5 years each or until he/she has attained the maximum age of retirement as prescribed under the relevant laws, whichever is earlier. Provided that the term of the persons holding these positions may be extended beyond the maximum age in the manner specified under the relevant laws.

#### 7. Memberships of other boards

It is expected that you will not serve on the boards of competing Companies. Apart from the applicable law and good corporate governance practices, there are no other additional limitations.

#### 8. Information on meetings

##### 8.1. Scheduling and selection of agenda items for Board meetings

Dates for the Board meeting for the ensuing year are decided in advance and published in the Annual Report. Generally, the Board meetings are held at the Company's Registered Office at Indore, India. The Chairman of the Board, CEO and the Company Secretary, in consultation with the Chief Financial Officer (CFO), draft the agenda for each meeting, along with explanatory notes, and distribute it in advance to the Board members. Every Board member is free to suggest the inclusion of items on the agenda. Normally, the Board meets once a quarter to review the quarterly results and other items on the agenda. The Board also meets during the annual shareholders' meeting. Additional meetings are held based on need.

The Board, being represented by non-executive/independent directors from various parts of the globe, it may not be possible for each one of them to be physically present at all the Board meetings. The Company provides video / teleconference facilities to facilitate participation.



8.2. Availability of information to the Board

The Board has full and unfettered access to any information of the Company, and to any employee of the Company. At Board meetings, the Board invites managers of the Company when additional details into the items being discussed are required.

8.3. Independent directors' discussion

The Board's policy is to have regular "independent directors only" meetings so that they can have a full and frank discussion on the performance of the Company, risks faced by the Company, and the performance of executive members of the Board including the chairperson. The Lead Independent Director presides over such meetings and may invite the chairman, any whole-time director and any senior management personnel to make presentations on relevant issues.

**9. Mechanism for evaluating Board members**

The Chairperson of the Board conducts an annual Board evaluation and a peer evaluation survey to assess the performance of the Board as a whole and that of individual Board members. Performance is assessed based on clearly defined objective criteria. This is in line with the Company's policy of being data-oriented in every transaction and decision.

9.1. Independent Board Members

The evaluation is done on a three-point scale. Independent directors have three key roles — Governance, Control and Guidance. Some of the performance indicators based on which the independent directors are evaluated are:

- (a) Ability to contribute to and monitor our corporate governance practices;
- (b) Ability to contribute by introducing international best practices to address top-management issues;
- (c) Active participation in long-term strategic planning;
- (d) Commitment to the fulfilment of a director's obligations; and
- (e) Fiduciary responsibilities.

9.2. Executive Board Members

The performance appraisal system for Whole-Time Directors provides for the alignment of the directors' targets with those of the Company through a set of key performance indicators (KPIs) that are objective, rigorous and structured.

**10. Retirement policy**

The Company shall appoint or continue the employment of a person as Managing Director / Whole-time Director and non-executive Director who has not attained the maximum age of retirement as prescribed under relevant laws or may appoint any other person in compliance with applicable provisions of the Law.

11. Corporate calendar

The corporate calendar and the Board meeting dates shall be intimated in advance from time to time.

It is a pleasure to have you on board. I am confident that your association, expertise and advice will immensely benefit the Company and the Board.

Best Regards,  
Yours sincerely,

*M. Dabkara*

Manish Kumar Dabkara  
Chairman of the Board

