



ECONOMY • EXCELLENCE • ETHICS

**MERINO INDUSTRIES LTD.**

CIN: U51909WB1965PLC026556

GST No. :19AAACC9186C2ZJ

S, Alexandra Court, 60/1, Chowringhee Road, Kolkata – 700020, India

P +91 33 2290 1214, 4009 9200

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E merinokol@merinoindia.com

W www.merinoindia.com

Dated: 14.09.2018

**Mr. Bama Prasad Mukhopadhyay**

46/1, Ramesh Mitra Road

P.O. Bhowanipore,

Kolkata-700025

Dear Sir,

Sub.: **Appointment as an Independent Director  
of Merino Industries Limited**

The Code for Independent Directors contained in The Companies Act, 2013 provides that we should issue a letter of appointment to the Independent Directors.

I am pleased to inform you that the shareholders of the Company at their 53<sup>rd</sup> Annual General Meeting held on 14<sup>th</sup> September, 2018 have approved your appointment as an Independent Director for a period of five years upto the conclusion of the 58<sup>th</sup> Annual General Meeting of the Company in the calendar year 2023. This letter of appointment sets out the terms and conditions covering your appointment which are as follows:

**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.

**TIME COMMITMENT:**

5. 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



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governance. The Board generally meets four times in a year. The Audit Committee generally meets at least four times in a year. Besides, there are other Committee meetings like Nomination and Remuneration Committee meeting which are ordinarily convened as per requirement. You will be expected to attend Board and Board Committees 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. Ordinarily, all meetings including the Annual General Meeting are held in Kolkata.

6. 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:**

7. 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 fiduciary in nature and are as under:
  - 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 interests of the Company.
  - III. You shall discharge your duties with due and reasonable care, skill and diligence.
  - 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 assignments so made shall be void.

In addition to the above requirements the Board of Directors also expect you to perform the following functions:

- I. You should constructively challenge and help develop proposals on strategy for growth of the Company.
- II. You should evaluate the performance of management in meeting agreed goals and objectives.
- III. You should satisfy yourself on the integrity of financial information and that financial controls and systems of risk management are effective and defensible.



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- IV. You are responsible for determining appropriate levels of remuneration of Executive Directors and have a prime role in appointing, and where necessary, removing Executive Directors and in succession planning.
- V. You will take responsibility for the processes for accurately reporting on performance and the financial position of the Company.
- VI. You should keep governance and compliance with the applicable legislation and regulations under review and the conformity of Company's practices to accepted norms.

**STATUS OF APPOINTMENT:**

8. 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.
9. The sitting fees presently paid to the Non-Executive Independent Director is Rs. 10,000/- per meeting of the Board or a Committee thereof.
10. 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.

**REIMBURSEMENT OF EXPENSES:**

11. 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.

**INDEPENDENT PROFESSIONAL ADVICE:**

12. There may be occasions when you consider that you need professional advice in furtherance of your duties as a Director and it will be appropriate for you to consult independent advisers at the Company's expense. The Company will reimburse full cost of expenditure incurred in accordance with the Company's policy.

**CONFLICT OF INTEREST:**

13. It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to your appointment, 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.



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14. 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 both the Chairman and the Company Secretary.

**EVALUATION:**

15. The Board of Directors will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis as per Company's Policy. Your appointment and reappointment on the Board shall be subject to the outcome of the yearly evaluation process.

**DISCLOSURE OF INTEREST:**

16. Any material interest that you 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 contract with a particular person, firm or company is acceptable.

**CODE OF CONDUCT:**

17. During your tenure as a Director of the Company, you are required to comply with regulations as contained in Schedule IV under Companies Act, 2013, including the Code of Conduct.

**CONFIDENTIALITY:**

18. 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 Chairman unless required by law or by the rules of any stock exchange or regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by the Company.
19. Your attention is also drawn to the requirements under the applicable regulations and the Company's Insider Trading Code 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 Chairman or the Company Secretary.

**PUBLICATION OF THE LETTER OF APPOINTMENT:**



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20. In line with provision of Clause IV sub clause 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:**

21. 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:**

22. 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, West Bengal.
23. 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.

**GENERAL:**

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

Yours sincerely,

For **MERINO INDUSTRIES LIMITED**

(Prasan Lohia)

**Director**

I have read and agree to the above terms regarding my appointment as an Independent Director of Merino Industries Limited.

Signature:   
**INDEPENDENT DIRECTOR**

**Schedule IV**  
[See section 149(8)]

**CODE FOR INDEPENDENT DIRECTORS**

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of 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 duties;
- (3) exercise his responsibilities in a *bona fide* manner in the interest of the company;
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will vitiate his 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 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 independence;
- (8) where circumstances arise which make an independent director lose his 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.

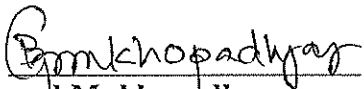
### **III. Duties:**

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 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.

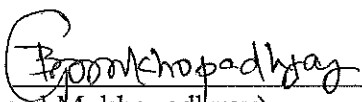
ACCEPTED

Signature:   
(Bama Prasad Mukhopadhyay)  
DIN: 08199055



**AFFIRMATION BY INDEPENDENT DIRECTORS OF MERINO INDUSTRIES LIMITED AS REGARDS COMPLIANCE WITH THE CODE FOR INDEPENDENT DIRECTORS AS PER SCHEDULE IV TO THE COMPANIES ACT, 2013**

I, Bama Prasad Mukhopadhyay, Independent Director of Merino Industries Limited, having read and understood the Code for Independent Directors, hereby solemnly affirm that I will abide by the provisions specified in Schedule IV to the Companies Act, 2013.

Signature:   
(Bama Prasad Mukhopadhyay)  
DIN: 08199055

Place: Kolkata  
Date: 14.09.2018



# Merino Industries Limited

CIN: U51909WB1965PLC026556

Registered Office: 5, Alexandra Court, 60/1, Chowringhee Road, Kolkata: 700 020  
Phone: 033-2290-1214, Fax: 91-33-2287-0314, E-mail: [merinokol@merinoindia.com](mailto:merinokol@merinoindia.com)  
Website: [www.merinoindia.com](http://www.merinoindia.com)

## Annexure of Form DIR-12

Copy of the following Ordinary Resolution passed under Special Business by the members of Merino Industries Limited at their 53<sup>rd</sup> Annual General Meeting held at the Conference Hall, Academy of Fine Arts, 2, Cathedral Road, Kolkata-700071 on Friday, the 14<sup>th</sup> day of September, 2018 at 3-00 p.m.

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Bama Prasad Mukhopadhyay (DIN 08199055), who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose the candidature of Shri Bama Prasad Mukhopadhyay for the office of Director, be and is hereby appointed as an Independent Director of the Company in accordance with the Companies Act, 2013 to hold office up to the 58th Annual General Meeting in the calendar year 2023."

### STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013 RELATING TO SPECIAL BUSINESS

The Board of Directors proposed to appoint Shri Bama Prasad Mukhopadhyay (DIN 08199055) as an Independent Director of the Company in the ensuing annual general meeting of the Company. As required by Section 160 of the Act, a notice had been received from a member signifying his intention to propose his candidature for the office of Director. The Board considers it desirable that the Company should continue to avail itself of his services.

The Company has received from Shri Bama Prasad Mukhopadhyay, among other forms pursuant to Companies (Appointment & Qualification of Directors) Rules 2014, a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act.

The resolution seeks the approval of members for the appointment of Shri Bama Prasad Mukhopadhyay as an Independent Director of the Company to hold office up to the 58th Annual General Meeting in the calendar year 2023 as per Section 149 and other applicable provisions of the Act and the Rules framed thereunder.

In the opinion of the Board of Directors, Shri Bama Prasad Mukhopadhyay fulfills the conditions specified in the Act and the Rules made thereunder for such appointment and he is independent of the Management. A copy of the draft letter for the appointment of Shri Bama Prasad Mukhopadhyay as an Independent Director setting out the terms and conditions is available for inspection by the members at the Company's registered office during normal business hours on working days up to the date of the Annual General Meeting.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Shri Bama Prasad Mukhopadhyay, a senior retired Central Government Official, as an Independent Director.

No director, key managerial personnel or their relatives, except Shri Bama Prasad Mukhopadhyay, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 13 for the approval of the members.

For MERINO INDUSTRIES LIMITED

*Vinamrata Agrawal*

Signature:  
Name: Vinamrata Agrawal  
Designation: Company Secretary  
Membership No: A 28125

Company Secretary