

Terms and Conditions for appointment of Independent Directors

To,
The Independent Director
FGP Limited
Commercial Union House,
9 / Wallace Street, Fort,
Mumbai - 400 001.

Date:

Dear Sir,

Re: Your appointment as the Independent Director of FGP Limited

We are pleased to advise you that at the Annual General Meeting of the Company held on 30th September, 2014, shareholders have approved your appointment as an Independent Director of the Company to hold office for five consecutive years from 30th September, 2014 upto 29th September, 2019.

The detailed terms are as under:

A. Appointment

For a period of five consecutive years with effect from 30th September, 2014 upto 29th September, 2019.

B. Preliminary

Your appointment is subject to the following:

1. You will submit a declaration in the beginning of every financial year under section 149 (7) of the Companies Act, 2013 ("the Act") during your tenure stating that you meet the criteria of independence.
2. So long as you are independent director of the Company, the number of companies in which you hold office as a director or a chairman or committee member will not exceed the limit stipulated under the Act and the listing agreement.
3. So long as you are independent director of the Company, you will ensure that you do not get disqualified to act as a director pursuant to the provisions of section 164 of the Act.
4. You will ensure compliance with other provisions of the Act and the listing agreement as applicable to you as an independent director.

B. Term

Your appointment is for a term of 5 (five) years commencing from 30th September, 2014 upto 29th September, 2019.

C. Committee Positions :-

D. Code of Conduct and Duties and Responsibilities

1. You will abide by the Code of conduct to the extent applicable to an independent director of the Company as set out separately in **Annexure-1**.
2. You will abide by the Guidelines of professional conduct, Role, Function and Duties as an independent director provided in Schedule IV of the Companies Act, 2013 set out in **Annexure-2** hereto, as stipulated by applicable law.
3. You will not hold office as a director or any other office in a competing firm/entity.
4. You are expected to stay updated on how best to discharge your roles, responsibilities, and duties and liabilities, as an independent director of the Company under applicable law, including keeping abreast of current changes and trends in economic, political, social, financial, legal and corporate governance practices.
5. You are expected to:
 - (i) take decisions objectively and solely in the interests of the Company;
 - (ii) facilitate Company's adherence to high standards of ethics and corporate behavior;
 - (iii) guide the Board in monitoring the effectiveness of the Company's governance practices and to recommend changes, required if any;
 - (iv) guide the Board in monitoring and managing potential conflicts of interest of management, Board members and stakeholders, including misuse of corporate assets and abuse in related party transactions;
 - (v) guide the Board in ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.

E. Performance Evaluation

Your reappointment or extension of term and your remuneration will be recommended by the Committee to the Board, pursuant to a performance evaluation carried out by the Board.

F. Remuneration

1. Your annual remuneration will be as under:
 - (a) sitting fees for attending each meeting of the Board and its committees as may be determined by the Board from time to time, and
 - (b) commission, if any, that may be determined by the Board payable at the end of each financial year will be based on the performance of the Company and your performance evaluated by the Board of directors.
2. You will be entitled to reimbursement of expenses incurred by you in connection with attending the Board meetings, Board Committee meetings, general meetings and in relation to the business of the Company towards hotel accommodation, travelling and other out-of-pocket expenses.
3. Pursuant to applicable law, you will not be entitled to any stock options.

G. Insurance :

1. The Company provides all its directors with, and pays the premiums for, Directors and Officers insurance cover while acting in their capacities as directors. The present amount of the cover is Rs. 11 Crores.
2. The copy of the policy can be furnished on request to the Wholetime Director.

H. Training

You will be entitled to the benefit of a training program to familiarize you with the business and affairs of the Company, growth plans, the peculiarities of the industry in which the Company operates its goals and expectations and long term plans and objectives. This clause has been inserted pursuant to clause 49 of the equity listing agreement.

I. Miscellaneous

1. You will have access to confidential information, whether or not the information is marked or designated as “confidential” or “proprietary”, relating to the Company and its business including legal, financial, technical, commercial, marketing and business related records, data, documents, reports, etc., client information, intellectual property rights (including trade secrets), (“Confidential Information”).

You shall use reasonable efforts to keep confidential and to not disclose to any third party, such Confidential Information.

If any Confidential Information is required to be disclosed by you in response to any summons or in connection with any litigation, or in order to comply with any applicable law, order, regulation or ruling, then any such disclosure should be, to the extent possible, with the prior consent of the Board.

Please confirm your acceptance by signing, dating, and returning a copy of this letter to the Company.

Yours faithfully,
For FGP LIMITED

Agreed and Accepted by

H.N.Singh Rajpoot
Chairman

Annexure 1

FGP's Code of Conduct for Independent Directors

Policy on code of conduct for Board Members and Senior Management

1.00 Objective:

The adoption of this Code of Conduct (the code) by the Board stems from the fiduciary responsibility which the Board Members and the Senior Management have towards the stakeholders in the Company. Therefore, Board Members and Senior Management will act as trustees in the interest of all stakeholders of the Company by balancing conflicting interest, if any, between stakeholders for optimal benefit. In the observance of the Code, the Directors in their capacity as Directors, per se, will have a Directional role and the Executive Directors and Senior Management Personnel will have managerial and executive responsibility.

For the purpose of the code, Senior Management shall mean and include key Management Personnel as defined in Section 2 (51) of the Companies Act, 2013 and other senior officials of Vice President grade and above.

2.01 Ethical and Moral Behavior:

- (a) Business shall be conducted ethically and by not committing, condoning or ratifying illegal or immoral acts.
- (b) Standards of fair dealing and personal integrity will be observed.
- (c) An environment free from gender specific harassment, discrimination and exploitation will be maintained.

2.02 Conduct of Business:

Conduct of the business will be consistent with the Core Values, which are as under:

- (a) Challenger
- (b) Aspiration Led
- (c) Integrity
- (d) Result Obsession
- (e) Openness

3.00 Conduct of Business:

In all aspects of the Company's operation, its employees, customers and society, safe, healthy and clean environment shall be given prime importance.

4.00 Conflict of interest:

- (a) **Conflict Situations:** Any relationship, influence or activity that may impair the ability to make objective and fair decisions is to be avoided.
- (b) **Disclosure of Interest:** Any financial or other material interest by oneself or through relatives / organisation in any contract with the Company (including vendors and customers) shall be disclosed at first opportunity.
- (c) **Competing with the Company:** Acceptance of any position of influence or of pecuniary interest in any other organisation, whose business is in direct competition with that of the Company, shall be avoided.
- (d) **Use of Company's Resources/Assets/Property:** Assets of the Company are to be used solely for the benefit of the Company. Opportunities discovered through use of corporate property, information or position shall not be exploited for own personal gain, unless the opportunity is disclosed fully in writing to the Company

5.00 Confidentiality of Information:

Any information (electronic or otherwise) relating of the Company, its intellectual property, including technology and business processes, its business and customers / vendors which is confidential shall not be divulged.

6.00 Compliance with Laws, Rules and Regulations:

All laws, rules and regulations are to be complied with. The compliance and reporting systems established should be adhered to.

7.00 Duties of independent Directors:

(a) Applicable to all Directors:

The Directors of the Company shall, in terms of Section 166 of the Companies Act, 2013:

- (i) act in accordance with the Articles of Association of the Company.
- (ii) act in good faith in order to promote the objects of the Company in the interest of all its stakeholders.
- (iii) exercise his duties with due and reasonable care, skill and judgment and also exercise their independent judgment.
- (iv) not involve in a situation in which he may have a direct or indirect interest that conflicts , or possibly may conflict, with the interest of the Company.
- (v) Not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates.
- (vi) Not assign his office and any assignment so made shall be void.

(b) Applicable to Independent Directors:

In addition to the duties imposed upon the Directors of the Company under Clause 7 (a) above, the independent Directors of the Company shall also ensure compliance with the Code for Independent Directors as specified in Schedule IV of the Companies Act, 2013, especially with regard to the duties of Independent Directors laid down therein.

8.00 Affirmation of Compliance:

The compliance of this Code of Conduct shall be affirmed, in writing, by all the Directors / Senior Management Personnel, on annual basis, coinciding with the closing of the financial year of the Company, which is presently 31st March.

Annexure 2

Guidelines of professional conduct, Role, Function and Duties as an independent director (As provided in Schedule IV of the Companies Act, 2013)

Guidelines for Professional conduct:

1. uphold ethical standards of integrity and probity;
2. act objectively and constructively while exercising their duties;
3. exercise their responsibilities in a bona fide manner in the interest of the Company;
4. devote sufficient time and attention to their professional obligations for informed and balanced decision making;
5. not allow any extraneous considerations that will vitiate their 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 their 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 their 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.

Role and functions:

1. Assist 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. Scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.

4. Satisfy yourself on the integrity of financial information and that financial controls and 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.

Duties:

1. Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.
2. Undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the Company.
3. 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.
4. Strive to attend all meetings of the Board including a Separate meeting of the independent director and of the Board committees of which you are a member.
5. Participate constructively and actively in the committees of the Board in which you are chairperson or member.
6. Strive to attend the general meetings of the Company.
7. Where you 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 your concerns are recorded in the minutes of the Board meeting.
8. Keep yourself well informed about the Company and the external environment in which it operates.
9. Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board.
10. 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.
11. 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.

12. Report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.
13. Acting within your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees.
14. 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.