



LGB FORGE LIMITED

Admin Office : 8/1238, Trichy Road,
Coimbatore - 641 018.
Tel : 0422 4951884

03rd August, 2022

To
Sri. Murugesu Saravana Marthandam
4, Senthil Nagar,
Kavundampalayam,
Coimbatore – 641030.

Dear Sir,

Sub : Your appointment as an Independent Director of our Company - Reg.

We are pleased to inform you that, based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, the shareholders of the company have approved your appointment as the Independent Director (ID) of the Company with effect from 28th May, 2022, by means of passing an Special Resolution by Postal Ballot conducted by meand of remote E-voting process of which the result was declared on 03rd August, 2022, as envisaged under Section 149, 152 and Section 161 read with Schedule IV and other applicable provisions of the Companies Act, 2013 read with the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

The terms and conditions of your appointment are as set out herein below:

A. Term

- Your appointment as an Independent Director have been made for 5 consecutive years commencing from 28th May, 2022 to 27th May, 2027 without any liability to retire by rotation.
- The term Independent Director should be construed as defined under the Act.
- The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Act, as may be amended from time to time. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. The Company is at liberty to disengage the Independent Directors earlier subject to compliance of relevant provisions of the Act.

Page 1 of 9

B. Time Commitment

- As a Non-Executive Director you are expected to actively participate at the meetings of the Board and its Committees and to help provide the Board in relation to the Company's strategy, performance, and risk management as well as ensuing high standards of financial probity and corporate governance.
- The Board meets at least four times in a year. The Audit Committee and Stakeholders Relationship Committee also meet at least four times in a year. Besides, there are other Committee meeting like Nomination and Remuneration Committee and Risk Management Committee meeting (if applicable) which are ordinarily convened when there is a need to convene thereof.
- You are expected to attend the meetings of Board, Board Committees to which you may be appointed and also Shareholders meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively.

C. Role and Duties

Independent directors have the same general legal responsibilities to the Company as that of any other director as provided under the Companies Act, 2013 and the rules thereunder. The Board, as a whole, is collectively responsible for ensuring the success of the Company by directing and supervising the Company's affairs. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as mentioned in **Annexure – A** hereto. Apart from that your conduct shall abide by the Code of Independent Directors as prescribed under the Schedule IV of the Companies Act, 2013, as may be amended from time to time and with the Code of Business Conduct and Ethics as formulated by the Company and as may be amended from time to time.

D. Status of Appointment

You will not be an employee of the Company and this letter shall not constitute a contract of employment.

E. Remuneration

The remuneration policy for non-whole time directors, including the Independent Directors, is reviewed by the Board or committee thereof. The Non Executive Directors are presently remunerated by way of sitting fee as may be decided by the Board, from time to time, within the overall limit permitted under the Companies Act, 2013, for attending per meeting of the Board and the Audit Committee, in which they are members.

In addition to the sitting fees, the Directors will be entitled to reimbursement of expenses incurred by them in connection with attending the Board Meeting, Committee Meetings, General Meetings and in relation to the business of the Company towards hotel accommodation, travelling and other out of pocket expenses.

Pursuant to applicable law, Independent Director will not be entitled to any stock options.

F. Familiarization Programme

The Company through its executive directors / key managerial personnel will conduct programmes to familiarize the Independent Directors with the strategy, operations and functions of the Company. Such programmes aims to provide an opportunity to the Independent Directors to understand nature of the industry, Company's strategy, business model, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas.

G. Committees

You may be nominated on one or more committees of the Board and in such event you shall abide with the relevant Committee's term of reference and any specific responsibilities.

H. Code of Conduct and Duties and Responsibilities

1. The Independent Director shall abide by the Guidelines of professional conduct, Role, Function and Duties as an Independent Director as provided in Schedule IV of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015 and any other law for the time being in force and in future.

2. The Independent Director shall strictly abide by all Code of Conducts as prescribed by the Company as required to be followed by various acts, enactments, rules, regulations, agreements etc., at any point of time. The Company has formulated a detailed Code of Conduct for the Board of Directors and Senior employees of the company. You shall annually affirm, in writing, the compliance with the code.
3. The Independent Director should not indulge in any activity that is detrimental to the Company and its stakeholders directly or indirectly at any point of time.

I. Prohibition on Insider Trading

Independent Director shall strictly follow the Company's "Code of Conduct for listed companies to regulate, monitor and report trading by designated persons" on insider information and the requirements under the Companies Act, 2013 and SEBI Regulations, which inter-alia requires that price-sensitive information is not used or transmitted and maintained securely. You shall not make any statements that might risk a breach of these requirements without prior clearance.

J. Independent Directors' Separate Meeting

1. 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 in order to perform their duties as envisaged under Clause VII of Schedule IV of the Companies Act, 2013 read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time).
2. The Independent Director of the company shall strive to be present at such meeting.

K. Evaluation

1. The appointment of Independent Director shall be on the basis of report of performance evaluation and in compliance with the Companies Act, 2013 and relevant Rules thereof.

2. The resignation and removal of Independent Director shall be in the same manner as provided in Sections 168 and 169 of the Act.

L. Confidentiality

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 regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by the Company.

M. Law

1. All the terms as mentioned above, including your appointment, professional conduct, role and functions, duties and evaluation shall be governed by the Companies Act, 2013 and rules made thereunder and corporate governance requirement under the SEBI (LODR) Regulations, 2015 as amended from time to time.
2. Your engagement with the company is governed by and shall be construed in accordance with the Indian Laws and your engagement shall be subject to the jurisdiction to the Courts of India.
3. This letter constitutes the entire terms and conditions of your appointment and no waiver or modification shall be valid unless in writing and signed by both the parties.

N. General

1. 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 upper limit stipulated under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.
2. 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 Companies Act, 2013.

3. You will ensure compliance with other provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable to you as an Independent Director.
4. 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.
5. Your appointment for a second term is contingent on your getting re-elected by the shareholders in accordance with provisions of Act. You will not be entitled to compensation if the shareholders do not re-elect you at any time.
6. Your appointment may also be terminated in accordance with the provisions of the Companies Act, 2013

Please confirm your acceptance by signing and returning the enclosed copy of the letter to the Company.

For LGB Forge Limited

Rajsri V.

Rajsri Vijayakumar
Director
DIN: 00018244



Acceptance of Appointment

I confirm and agree to the terms of my appointment as an Independent Director of LGB Forge Limited as set out in this letter.

Date : 03rd August, 2022
Place: Coimbatore

Muruges Saravana Marthandam

Muruges Saravana Marthandam
(DIN: 09623736)

ANNEXURE - A

Duties of Directors

The fiduciary duties that come with such appointment along with accompanying liabilities:

- a. You shall undertake appropriate induction and regularly update and referesh your skills, knowledge and familiarity with the Company;
- b. You shall submit a declaration in the beginning of every financial year under Section 149(6) of the Companies Act, 2013 ("the Act") read with Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) during your tenure confirming whether you meet the criteria of independence.
- c. You shall promptly inform the Board of any change in your Directorship / Committee Membership of other Companies.
- d. You shall not breach any of the terms and conditions pertaining to Independent Directors as mentioned in the Companies Act, 2013 or the listing agreement or any other Act or Regulations.
- e. You shall display utmost alacrity in approving financial statement.
- f. You shall disclose interest in any of the contract or arrangements and also disclose the interest on periodical basis as required under law.
- g. You shall strive to attend all meeting including Board, Committee and General Meetings.
- h. You shall not compromise or allow to compromise "Independence".
- i. You shall act in accordance with the Company's Articles of Association.
- j. 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 interest of the Company, its employees, the shareholders, the community and for the protection of environment.

- k. You shall discharge your duties with due and reasonable care, skill and diligence.
- l. You shall not misuse the assets, property, information or any other matter that may be in possession, in the capacity as a Director of the Company
- m. 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.
- n. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
- o. You shall not assign your office as Director and any assignments so made shall be void.
- p. You shall not engage in Insider Trading activities.
- q. You shall ensure compliance of all the laws of the land.

The above list is only indicative and not exhaustive

In addition to above, the role of the Independent Director has the following key elements besides other duties cast upon them under Schedule IV of the Companies Act, 2013:

- a. help in bringing an independent judgement to bear on Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- b. bring an objective view in the evaluation of the performance of board and management;
- c. Scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- d. Satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;
- e. Safeguard the interests of all stakeholders, particularly the minority shareholders;
- f. Balance the conflicting interest of shareholders;

- g. 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;
- h. Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

Any breach of fiduciary duties would warrant civil and criminal action or both by the Company, its shareholders, statutory authorities and others. The Companies Act, 2013, envisages huge penalties and imprisonment for such breaches. They are also exposed to Class Action Suit by Shareholders.