

## LETTER OF APPOINTMENT FOR INDEPENDENT DIRECTOR

Mr. ....  
.....

Dear Mr.....

We have pleasure to inform you about our decision to appoint you on the Board of Directors of Mastek Limited (hereinafter referred to as Company) as an Independent Director. This appointment is as per the provisions of Section 149 of the Companies Act, 2013 and the relevant provisions of the Listing Agreement with the Stock Exchanges, on the following terms and conditions:

### 1. Appointment

- 1.1 You are appointed as a Non-Executive Independent Director on the Board of Directors of Mastek Limited with effect from July 23, 2014. Your appointment is approved by the Shareholders of the Company at the Annual General Meeting of the Company held on July 23, 2014. Your appointment is also subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013 and the Listing Agreement.
- 1.2 The term Independent Director should be construed as defined under the Companies Act, 2013 and Listing Agreement.
- 1.3 The Company has adopted the provisions with respect to appointment and tenure of Independent Director which are consistent with the provisions of the Companies Act, 2013 and Listing Agreement. Accordingly, the Independent Director will serve on the Board of the Company for not more than two terms of five years each. The Company is at liberty to disengage Non-Executive Independent Director earlier subject to compliance of relevant provisions of Companies Act, 2013.

### 2. Committees

- 2.1 The Board of Directors (the Board) may, if it deems fit, invite you for being appointed on one or more existing Board Committees or any such Committee that may be set up in the future. Your membership of the Committees may be revised by the Board as it deems fit from time to time. Your appointment on such Committees will be subject to the applicable regulations.
- 2.2 The Quorum for the meeting is either two members of the Committee or one-third of the members of the Committee, whichever is higher.

### 3. Time Commitment

- 3.1 As a Non-Executive Independent Director you are expected to bring objectivity and independence of view to the Board's discussions and to provide help to 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 Governance. The Board meets atleast four times in a year. The Audit Committee also meets atleast four times in a year. Besides, there are other Committee meetings like Nomination and Remuneration Committee, Stakeholder Relationship Committee, Corporate Social Responsibility Committee and Governance Committee meetings, which are held every quarter. You will be expected to attend Board and the Board Committee meetings to which you may be appointed and Shareholder meeting and to devote such time , as appropriate for you to discharge your duties effectively.

3.2 By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations from your role as a Non-Executive Independent Director to the satisfaction of the Board.

#### **4. Role and Duties**

Your role and duties will be those normally required of a Non-Executive Independent Director under Companies Act, 2013 and as per the Listing Agreement. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature which you need to fulfill as a member of the Board and they are as under:

- I. You shall act in accordance with the Company's Articles of Association.
- II. You shall act in good faith in order to promote the object of the Company for the benefit of its members as a whole, and in the best interest of the Company. You will not allow any extraneous considerations that will vitiate your exercise of objective independent judgment in the paramount interest of the Company.
- III. You shall discharge your duties with due and reasonable care, skill and diligence and refrain from any action that would lead to loss of your independence as Independent Director.
- 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. (Please refer to Clause 8 herein below for full explanation on conflict of interest.).
- V. You shall not abuse your position to the detriment of the Company or its shareholders to achieve or attempt to achieve any undue gain or advantage either to yourself or to your relative, partners or associates.
- VI. You shall not assign your office as Director and any assignment so made shall be void.
- VII. You shall strive to attend every meeting of the Board and of the Board Committees of which you are a member. In the event you are not able to attend Board Meeting physically and the Company provides video conference facility to facilitate participation, you may join the same.

- VIII. You shall actively and constructively participate in the Board/Committee of the Board in which you may be a member or the Chairman/Chairperson. You shall not unfairly obstruct the proper functioning of the Board. You shall also strive to attend the Meetings of Independent Directors as prescribed under the provisions of the Companies Act 2013.
- IX. You shall strive to attend the general meeting/s of shareholders of the Company.
- X. You shall ensure that any concern 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 concern are not resolved.
- XI. You shall keep yourself well informed about the Company and the external environment in which it operates.
- XII. You shall ensure that related party transactions are adequately deliberated and considered carefully before they are approved and are in the interest of the Company.
- XIII. You shall ensure that the Whistleblower/Vigil mechanism function of the Company is functioning adequately and the interest of the person using it is not prejudicially affected.
- XIV. You shall report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics.
- XV. You shall inform the Board immediately in the event a circumstance arises which makes you lose your independence.
- XVI. You shall assist the Company in implementing the best corporate Governance practices.
- XVII. You shall balance the conflicting interest of the stakeholders.

In addition to the above requirement applicable to all Directors, the role of the Non-Executive Director has the following key elements:

1. **Strategy:** Non-Executive Director should constructively challenge and help to develop proposal on strategy;
2. **Performance:** Non-executive Director should scrutinize the performance of management in meeting agreed goals and objective;
3. **Risk:** Non-Executive Director should satisfy himself/herself on the integrity of financial information and that financial control and systems of risk management are robust and defensible;

4. **People:** Non-Executive Director is responsible for determining appropriate levels of remuneration of Executive Directors and Key Managerial Persons and have a prime role in appointing, and where necessary, removing Executive Directors and in succession planning;
5. **Reporting:** Non-Executive Director shall take responsibility for the processes for accurately reporting on performance and the financial position of Mastek Limited; and
6. **Compliance:** Non-Executive Director should keep governance and compliance with the applicable legislation/s and regulation/s under review and the conformity of Mastek Limited.

## 5. **Functions and Responsibilities of Independent Director**

### 5.1 **Functions:**

#### **A) To review the Company's Strategy, the annual financial plan & 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 in the best interest of the Company and its Shareholders, particularly minority shareholders and its employees. It is the duty of the Board to ensure that the management performs with competence and values to achieve the objective of the company. Generally, the Board meets once in a quarter. The quarterly meeting of the Board includes update on the business, financial and business-enable functions and discussion on such updates. The Audit Committee of the Board reviews the company's financial and recommends the same to the Board for its approval and 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 Nomination & Remuneration Committee of the Board evaluates the performance of the Executive Directors and Key Management Persons of the Company, and recommends their compensation for the ensuing year to the Board.

#### **C) To review and decide on succession planning of executive officers of the Company**

The Nomination and Remuneration Committee of the Board works with the Board to develop an orderly plan for the appointment and appropriate level of remuneration of the Executive Director, Key Managerial Personnel and Senior Management Personnel one level below the Board, of the Company and determines the appropriate level of their compensation packages. The Committee develops contingency plans for succession in the case of exigencies.

**D) To advise and counsel the Management**

The Board is expected to 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 record and documents. The Board may also seek legal or other expert advice from the source independent of the Management.

**E) To monitor and manage potential conflicts of interest of the Management**

The Audit Committee of the Board reviews and approves related party transactions, as required under the applicable laws or NSE/BSE Stock Exchange or any government agencies applicable to the Company.

**F) To oversee and ensure the integrity of financial information and legal compliance**

The Audit Committee of the Board oversees the Company's accounting and financial statement and assist the Board in the overseeing of (1) the integrity of the Company's financial statements, (2) The Company's compliance with legal and regulatory requirement, (3) the independent auditor's qualification, independence and performance, and (4) the Company's internal accounting and financial controls.

**5.2. 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 values and standards, ensure that its obligations to its shareholders and others are understood and met by the Company;
- C) Sets the Company's strategic aims, ensure that the necessary financial and human resource requirements are in place for the Company to meet its objectives, and reviews management performance.

## **6. Status of Appointment**

- 6.1 You will not be an employee of the Company and this letter shall not constitute contract of employment. You will be paid remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board from time to time. Further, you will also be paid remuneration by way of Commission based on net profits of the Company as may be approved by the Board and the Shareholders of the Company from time to time. As per the provisions of the Companies Act, 2013 and the policy of the Company, Commission payment is subject to a maximum of 1% of the net profit of the Company.
- 6.1.1 The sitting fees presently paid by Company to the Non-Executive Independent Director are Rs. 20,000/- per meeting of the Board and Rs. 10,000/- per meeting of a Committee thereof.
- 6.1.2 It is expected that you will not serve on the Board of Competing Companies. Apart from the applicable law and good corporate governance practices, there are no other additional limitations.

## **7. Reimbursement of Expenses**

In addition to the remuneration described in paragraph 5 the Company will, for the period of your appointment, make arrangement or reimburse you for travel, hotel and other incidental expenses to attend the Board or Committee Meeting in the performance of your role and duties.

## **8. Conflict of Interest**

- 8.1.1 It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to your appointment commencing, 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.
- 8.1.2 In the event that 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 judgment that you are Independent, this should be disclosed to both the Chairman and the Secretary immediately.

## **9. Confidentiality**

All confidential information including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information acquired by you during your appointment is confidential to Mastek Limited and should not be disclosed, either during your appointment or after your cessation as Director (by whatever means) to third parties without prior clearance from the Board/Managing Director and Group CEO of the Company unless required by

law. On reasonable request, you shall surrender any and every document and other confidential material made available to you by Mastek Limited.

Your attention is also drawn to the requirement under the applicable regulations for compliance of Mastek's Code of Conduct for Directors, which relates to non-disclosure of price sensitive information and non-dealing in the securities of Mastek Limited. Consequently you should avoid making any statements or performing any transaction that might result in breach of these requirements without prior clearance from the Chairman or the Secretary.

#### **10. Induction/Training of the Board**

Every new Independent Director of the Board needs to attend an orientation program organized by the Company. Presentations are made by Executive Directors/Senior managerial personnel thereat. The presentation covers an overview of our strategy and operation to familiarize the new Directors about the strategy, operations and functions of our Company. The induction program will provide an opportunity to Directors to interact with senior leadership of the Company and help the new Directors understand the Company's Strategy, Operations, Services and Products offering, Markets, Software Delivery, Organization Structure, Finance, HR, Technology, Quality facilities and Risk Management.

#### **11. Dealing in shares and Code of Conduct**

To uphold ethical standards of Integrity and probity, Directors are prohibited from dealing in the Company's shares during the period when the trading window is closed. Further, directors, being designated officers of the Company for the purpose of insider trading guidelines, are required to pre-clear all trades (buy/sell/gift) from the Managing Director and Group CEO of the Company and the Compliance Officer. You are required to comply with the applicable insider trading laws and regulations. You are also required to comply with the Company's Code of Conduct and Ethics, enclosed with this letter of appointment.

#### **12. Evaluation**

The Company has adopted a policy on Board Evaluation as provided under Companies Act, 2013 and as per the listing agreement. The policy provides for evaluation of the Board, the Committees of the Board and individual Directors, including the Chairman of the Board. As per the policy, the Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis. Your appointment and re-appointment on the Board shall be subject to the outcome of the yearly evaluation process.

#### **13. Insurance**

Mastek Limited has taken Directors' and Officers' liability insurance cover of Rs. 112 Crores (US \$ 20 millions) and it is intended that Mastek Limited will maintain such cover for the full term of your appointment.

#### **14. Independent Professional Advice**

There may be occasions when you consider that you need to take professional advice, from independent advisers at the Company's expenses, in furtherance of your duties as an Independent Director. The Company will reimburse the full cost of expenditure incurred in accordance with the Company's policy.

#### **15. Independent Director's Discussion**

Normally every quarter there is a meeting of Independent Directors to discuss the performance of the Company, risk faced by the Company, and the performance of executive members of the Board including the Chairman. However in compliance with the provision of Companies Act, 2013 and schedule IV thereto at least one such meeting of Independent Directors shall be held once in a year. You need to attend the same. The Chairman of the Board presides over such meetings and may invite any Executive Director and any Senior Management Personnel to make presentation on the relevant issue.

#### **16. Disclosure of Interest**

The Company needs to include in its Annual Accounts a note of any material interest that a Director may have in any transaction or arrangement that the Company has entered into. Such interest should be disclosed to Company no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record your interest appropriately and Company's records are updated. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable. You may inform the Company about changes therein as and when they occur.

#### **17. Termination**

- 17.1.1 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 thereof to the Board.
- 17.1.2 Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with provision of Section 149 of the Companies Act, 2013 and the provisions of Article of Association of the Company, from time to time in force. You will not be entitled to compensation if the shareholder do not re-elect you at any time.
- 17.1.3 Your appointment may also be terminated in accordance with the provision of Section 149 of the Companies Act, 2013 and the provisions of the Articles of Association of the Company from time to time in force.

**18. Governing Law**

This agreement is governed by and will be interpreted in accordance with Indian laws and your engagement shall be subject to the jurisdiction of the competent courts in India.

We are forwarding this letter in duplicate and request you to return the duplicate copy thereof duly signed as a token of your acceptance of your appointment as a Non-Executive Independent Director of Mastek Limited.

Thanking you,  
Yours sincerely  
For and on behalf of **MASTEK LIMITED**

**Sudhakar Ram**  
**Managing Director and Group CEO**

I hereby acknowledge receipt of and accept the terms and conditions of appointment as set out in this letter.

Signed-  
Dated-