

Date:

To,
Independent Director

Sub: Appointment as an Independent Director of Rashi Peripherals Limited (“the Company”)

Dear Sir,

We are pleased to inform you that the Board of Directors (“the Board”) and the Members of the Company have approved your appointment as an Independent Director of the Company, for a first term of five years with effect from 29th July 2022.

1. Term of Appointment:

The first term of your appointment shall be from 29 July 2022 till 28 July 2027. As an Independent Director of the Company, you shall not be liable to retire by rotation.

The Company is governed under the Companies Act, 2013. The Board expects you to adhere to the provisions of the Companies Act, 2013 and the Rules thereunder relating to your duties and responsibilities towards the Company and perform duties in the best interest of the Company. In addition to the same, you are expected to adhere to the Company’s Code of Conduct.

A copy of the Company’s code of conduct is enclosed as **Annexure ‘A’** for your reference.

2. Insurance:

The Company proposes to take Directors' and Officers' liability insurance and it is intended that the Company will assume and maintain such cover for the full term of your appointment.

3. Remuneration and expenses:

As an Independent Director of the Company, you will be entitled to receive following sitting fees for the meetings of the Board:

| Name of the Meeting | Sitting Fees |
|---|------------------------|
| Board Meetings | Rs. 75,000 per meeting |
| Audit Committee Meetings | Rs. 50,000 per meeting |
| all other committees Meeting other than CSR committee | Rs. 25,000 per meeting |

The sitting fees will be subject to deduction of tax at source. The tax deduction certificate for the tax deducted in previous financial year will be provided to you on or before 31 May every year.

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In addition to the sitting fees, the Company will reimburse return cost of air travel from your city of residence to the place of meeting and accommodation for attending the meetings of the Board of Directors or Committees thereof.

Please note that:

1. As a Director of the Company, you shall not assign office and any assignment so made shall be void.
2. You are required to furnish a declaration every year confirming your eligibility to hold the office of Independent Director of the Company or whenever there is a change in the circumstances, which may affect your status as an Independent Director.
3. You are restricted from participating in the discussions on contracts or arrangements with parties where you are interested or concerned in any manner.
4. You will promptly inform the Company about any changes, if any, in disclosure of interest and declarations furnished by you to the Company.

The Code of Conduct for the Independent Director as prescribed in the Companies Act, 2013 (“the Act”) is enclosed as **Annexure ‘B’** for your reference. You are requested to adhere to the said guidelines, the duties and responsibility prescribed under Section 166 and Schedule IV of the Act and the Rules made thereunder during your tenure as Independent Director of the Company.

In case of requirement of any information or assistance for discharging your duties as an Independent Director you may contact:

Thanking you

Yours faithfully

For **RASHI PERIPHERALS LIMITED**

Annexure A

RASHI PERIPHERALS LIMITED

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;

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- (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 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;

Rashi Peripherals Limited

- (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) ¹["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.

IV. Manner of appointment:

- (1) Appointment process of independent Directors shall be independent of the company management; while selecting independent Directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- (2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- (3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
- (4) The appointment of independent Directors shall be formalised through a letter of appointment, which shall set out :
 - (a) the term of appointment;
 - (b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
 - (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;

Rashi Peripherals Limited

- (d) provision for Directors and Officers (*D and O*) insurance, if any;
 - (e) the Code of Business Ethics that the [company](#) expects its Directors and employees to follow;
 - (f) the list of actions that a [director](#) should not do while functioning as such in the company; and
 - (g) the [remuneration](#), mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- (5) The terms and conditions of appointment of [independent Directors](#) shall be open for inspection at the registered office of the [company](#) by any [member](#) during normal business hours.
- (6) The terms and conditions of appointment of [independent Directors](#) shall also be posted on the company's website.

V. Re-appointment:

The re-appointment of independent [director](#) shall be on the basis of report of performance evaluation.

VI. Resignation or removal:

- (1) The resignation or removal of an independent [director](#) shall be in the same manner as is provided in [sections 168](#) and [169](#) of the Act.
- (2) An independent [director](#) who resigns or is removed from the Board of the [company](#) shall be replaced by a new independent [director](#) within ²["three months"] from the date of such resignation or removal, as the case may be..
- (3) Where the [company](#) fulfils the requirement of [independent Directors](#) in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent [director](#) shall not apply.

VII. Separate meetings:

- (1) The [independent Directors](#) of the [company](#) shall hold at least one meeting ³["in a financial year"], without the attendance of non-[independent Directors](#) and [members](#) of management;
- (2) All the [independent Directors](#) of the [company](#) shall strive to be present at such meeting;
- (3) The meeting shall:
 - (a) review the performance of non-[independent Directors](#) and the Board as a whole;

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(b) review the performance of the Chairperson of the company, taking into account the views of executive Directors and non-executive Directors;

(c) assess the quality, quantity and timeliness of flow of information between the [company](#) management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

VIII. Evaluation mechanism:

(1) The performance evaluation of [independent Directors](#) shall be done by the entire [Board of Directors](#), excluding the [director](#) being evaluated.

(2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the [independent director](#).

Annexure B

CODE FOR INDEPENDENT DIRECTORS

OF

RASHI PERIPHERALS LIMITED

The Code is a guide to professional conduct for independent directors. Adherence to these standards by Independent Directors and fulfillment of their responsibilities in a professional and faithful manner will promote confidence of the particularly minority shareholders, regulators and Companies in the institution of independent directors.

I. Guidelines of professional conduct:

1. As Independent Director you shall uphold ethical standards of integrity and probity;
2. Act objectively and constructively while exercising your duties;
3. Exercise responsibilities in a bona fide manner in the interest of the company;
4. Devote sufficient time and attention to the professional obligations for informed and balanced decision making;
5. Not allow any extraneous considerations that will 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;
6. Not to 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;
7. Refrain from any action that would lead to loss of your Independence;
8. Where circumstances arise which make you lose your Independence, you must immediately inform the Board;
9. Assist the Company in implementing the best corporate governance practices.

II. Role and functions:

You 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. 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 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;

Rashi Peripherals Limited

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:

You shall—

1. undertake appropriate induction and regularly update and refresh your 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 you are a member;
4. participate constructively and actively in the Committees of the Board in which you are chairperson or member;
5. strive to attend the General Meetings of the Company;
6. where you have any 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;
7. keep yourself 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 yourself 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 your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
13. not to 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.

IV. Separate meetings:

- (1) You along with other 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;

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- (2) You shall strive to be present at such meeting;
- (3) The meeting shall:
 - (a) review the performance of Non-Independent Directors and the Board as a whole;
 - (b) review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
 - (c) assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

V. Evaluation mechanism:

- a. Your performance evaluation shall be done by the entire Board of Directors to recommend extension of your term as independent director
- b. the report of performance evaluation shall be determine whether to extend or continue your term of appointment as the Independent Director.