



Date: 13 August, 2019

## LETTER OF APPOINTMENT

Dear **Ms.Sabitha Rao**,

### Terms of Appointment as an Independent Director

The Board of Directors have in their collective opinion and based on the performance review have felt desirable that you continue to be qualified to act as Independent Director of our Company. This appointment is being made under the relevant provisions of the Companies Act 2013 and in accordance of the terms and conditions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the terms and conditions are given below:

#### 1. Tenure of Appointment

- 1.1 You are appointed as a Non-Executive Independent Director on the Board of Directors of ESAB with effect from **29 January 2020** for a further term of five years. Your appointment is approved by the Shareholders by passing a special resolution as per the provisions of the Companies Act, 2013 at the 32<sup>nd</sup> Annual General Meeting of the Company held on 13 August, 2019. Your appointment is also subject to the maximum permissible Directorships that one can hold under the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- 1.2 The term Independent Director should be construed as defined under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- 1.3 The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company and this being your second term of five years as Independent Director. The Company is at liberty to disengage Non Executive Independent Director earlier, subject to compliance of relevant provisions of Companies Act, 2013.

#### 2. Committees

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 is set up in the future. Your appointment on such Committee(s) will be subject to the applicable regulations.

#### 3. Time Commitment

The Board and the Audit Committee meets atleast four times in a year. Besides, there are other Committee meetings like Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee meetings which are ordinarily convened as per the provisions of the Companies Act, 2013. You will be



expected to attend Board, Board Committees to which you may be appointed and Shareholders meetings. Ordinarily, all meetings are held in Chennai.

#### **Separate meetings:**

- (1) The independent directors of the company shall hold at least one meeting ["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
  - (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.

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

Your role and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:

i. An Independent Director shall :

- 1) uphold ethical standards of integrity and probity;
- 2) act objectively and constructively while exercising his / her duties;
- 3) exercise his / her responsibilities in a bona fide manner in the interest of the Company;
- 4) devote sufficient time and attention to his / her professional obligations for informed and balanced decision making;
- 5) not allow any extraneous considerations that will vitiate his / her 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 / her 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 / her 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. The Independent Director 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 of 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 interests 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. The Independent Director 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 the Board Committee of which he / she 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 behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- 12) act within their 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.
- 14) Shall not deal in the shares of the Company except as provided under the code of ESAB's SEBI Insider Trading Regulations.

## 5. Status of Appointment

- 5.1 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 and as may be approved by the Shareholders from time to time if required. Further, you will also be paid remuneration by way of commission as may be approved by the Board and subject to the overall approvals obtained from the Shareholders from time to time.
- 5.2 The sitting fees presently being paid to the Non-Executive Independent Director is **Rs. 18,500 (Rupees eighteen thousand five hundred only)** per meeting of the Board or a Committee thereof. The sitting fee payable for Stakeholder's Relationship Committee is **Rs. 4,000 (Rupees Four thousand only)**.
- 5.3 You are currently entitled for payment of profit related commission as is applicable to the other Non-executive Directors upto a maximum of 1% of the profit as calculated under the applicable provision of the Companies Act and as approved by the members at the Annual General Meeting held on 4 August, 2016 The payment of such commission shall be based on the performance of the Company and your contributions to such performance and your roles and responsibilities.
- 5.4 In addition to the above said remuneration the Company will, for the period of your appointment, reimburse you for travel, hotel and other incidental expenses incurred by you in the discharge of your responsibilities.

## 6. Evaluation

Your re-appointment on the Board shall be subject to the outcome of the yearly evaluation process as per the policy established by the Board from time to time.

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.

## 7. Insurance

ESAB India Limited has taken a Directors' and Officers' liability insurance for a total cover of Rs.20 crores and it is intended that ESAB will assume and maintain such cover for the full term of your appointment. This Letter of Appointment is subject to Amendment/Modification, as may be necessitated from time to time in furtherance of any amendments to the Companies Act or as may be deemed fit by the Board of Directors.



**8. Termination**

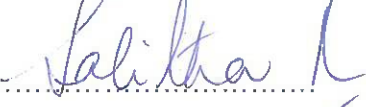
- a. You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice to the Board.
- b. Continuation of your appointment is contingent on your getting re-elected by the shareholders under the provisions of Companies Act, 2013 and the Articles of Association of the Company, from time to time in force.**

The letter is being sent to you in duplicate. Please sign one copy of the letter in token of your acceptance of these terms and return it to the Company at the earliest.

Yours sincerely  
For and on behalf of **ESAB India Limited**

  
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**Scott Grisham**  
Chairman

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

Signed .....  .....

Dated ..... 6 Feb 2020 .....