



Lakshmi Precision Screws Ltd.

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LPS/CSO

November 05, 2016

Mr. Madhav Roy
D-2, 1402, Summer Palms,
Sector - 86,
Faridabad - 124 001.

Dear Sir,

Subject: Appointment as an Additional Director (Independent) of the Company.

We are pleased to inform you that the Board of Directors of the Company in its meeting, dated 05/11/2016, appointed you as an Additional Director (Independent) effective from the 05th day of November, 2016, and will be regularised as Independent Director in General Meeting, if your appointment is approved by shareholders then it will be valid for a term of 5 (five) consecutive years upto November 04, 2021, not liable to retire by rotation, pursuant to Section 149 and all other applicable provisions, if any, of the Companies Act, 2013 and Regulation 17 of the SEBI (LODR) 2015, Subject to the detailed terms of this letter.

Appointment

1. In compliance with provision Section 149(13) of the Companies Act, 2013, your directorship is not subject to annual election by Members at the Company's Annual General Meeting.
2. Notwithstanding the other provisions of this Letter, the appointment may be terminated in accordance with the provisions of the Articles of Association of the Company or on failure to meet the parameters of independence as defined in Section 149(6) or on the occurrence of any event as defined in Section 167 of the Companies Act, 2013.
3. Upon termination or upon your resignation for any reason, duly intimated to the Company, you will not be entitled to any damages for loss of office and compensation will be payable to you in respect of any unexpired portion of the term of the appointment.

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Time commitment

4. You will devote such time to the affairs of the Company as is required by your duties as independent director.

Role

5. You will perform the duties of Additional Director (Independent) in accordance with the Company's Articles of Association and the Code for Independent Directors as defined in Schedule IV to the Companies Act, 2013 and Listing Agreement as amended from time to time and any document relating to the respective duties of the Independent Director as approved by the Board.

Fees

6. You will be paid a sitting fee for your services as an Independent Director of Rs.20,000/- for every Board meeting and Committee meeting attended by you in person or through video conferencing for all meetings or such other fees as may be approved by the Board from time to time within the parameter of the Companies Act, 2013.

Expenses

7. In addition to the fees described in paragraph 6 above, the Company will reimburse you for all reasonable out of pocket expenses necessarily incurred in carrying out your duties from time to time.

Other directorships and business interests

8. You are required to disclose any business interest in any company or companies or bodies corporate, firms, or other than those of the Company and you have to declare only conflicts that are apparent.
9. If you are directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into:

(a) With any Body corporate in which you are individually or in association with any director hold more than two percent shareholding of that body corporate or are a Promoter, Manager, Chief Executive Officer of that body corporate,



(b) With a firm or other entity in which you are a partner, owner or member, as the case may be,

shall disclose the nature of the said concern or interest at the meeting of the Board in which such contract or arrangement is to be discussed and shall not participate in such meeting.

Provided that if you are not concerned or interested at the time of entering into such contract or arrangement, but become concerned or interested in future, the disclosure shall be made at the first Board Meeting held after you become interested.

Code of Conduct

10. During the appointment you are required to comply with any relevant regulations as contained in Schedule IV under Companies Act, 2013, (Annexure A) including the Model Code for Securities Transactions by Directors of the Company, and such other requirements as the Board of Directors may from time to time specify.

Confidentiality

11. You must apply the highest standards of confidentiality; and not disclose to any person or company (whether during the course of the appointment or at any time after its termination), any confidential information concerning the Company and any Group Companies with which you come into contact by virtue of your position as an Independent Director.

12. Your attention is also drawn to the requirements under both legislation and regulation as to the disclosure of price-sensitive information. Consequently you should not make any statements that might risk a breach of these requirements.

13. On termination of the Appointment, you will deliver to the Company all documents, papers and other property of or relating to the business, if any, of the Company or any Group Company which are in your possession, custody or power by virtue of your position as an Independent Director of the Company.

Review process

14. Your performance as Additional Director (Independent) will be reviewed by the entire Board. Based on the report of performance evaluation, the decision of re-appointment shall be made.



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Publication of the letter of appointment

15. In line with provision of Clause IV sub clause 6 of Schedule IV, under Companies Act, 2013 the Company will make public the terms and conditions of your appointment and will also arrange for it to be on displayed on the Company's website.

Membership of Committees

16. This letter refers to your appointment as an Additional Director (Independent) of the Company. In the event that you are also asked to serve on one or more of the other Board committees this will be covered in a separate communication setting out the relevant committee's terms of reference and any specific responsibilities.

Yours sincerely,

Lalit Kumar Jain
Chairman & Managing Director
DIN-00061293
LAKSHMI PRECISION SCREWS LIMITED

I have read and agree to the above terms regarding my appointment as an Independent Director of LAKSHMI PRECISION SCREWS LIMITED.

Madhav Roy
Independent Director
(DIN: 05018263)

ANNEXURE A
CODE FOR INDEPENDENT DIRECTORS
[Schedule IV read with section 149(8)]

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 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;
- (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 committee 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;
- (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) 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 there under 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;

(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 a period of not more than one hundred and eighty days/Ninety days 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 in a 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.

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.

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