



# LUDLOW JUTE & SPECIALITIES LTD.

Regd. Office :

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Date: 08.09.2014

Shri A.C. Mukherji  
CD-254, Sector I  
Salt Lake City  
Kolkata 700 064

Dear Sir,

**Re: Your Appointment as Independent Director of Ludlow Jute & Specialities Limited.**

We are pleased to advise you that the shareholders of the Company in the Annual General Meeting (AGM) held on 5<sup>th</sup> September, 2014, have approved your appointment as an Independent Director of the Company to hold office for five consecutive years from 5<sup>th</sup> September, 2014 upto the conclusion of AGM to be held in the calendar year 2019.

## A. Preliminary

Your appointment is subject to the following:

1. During your tenure as an Independent Director, you will have to submit a declaration at the beginning of every Financial Year under Section 149 (7) of the Companies Act, 2013 ("Act") stating that you meet the criteria of Independence.
2. So long as you are an 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 limit stipulated under the Act and the Listing Agreement.
3. So long as you are an 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 Act.
4. You will ensure compliance with other provision of the Act and the Listing Agreement as applicable to you as an Independent Director.

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**B. Term**

The term of your appointment as Independent Director of the Company is for a period of 5 consecutive years commencing from 5<sup>th</sup> September, 2014 and upto the date of conclusion of the Annual General Meeting of the Company in the calendar year 2019 and you will not be liable to retire by rotation.

You will be eligible to be re-appointed for a further period of 5 consecutive years, after the completion of the first tenure of 5 years, subject to Board approval and the passing of a Special Resolution by Shareholders.

**C. You are expected to:**

- (i) take decision objectively and solely in the interests of the Company;
- (ii) facilitate Company's adherence to high standards of ethics and corporate behavior;
- (iii) guide the Board in monitoring the effectiveness of the Company's governance practices and to recommend changes, required if any;
- (iv) guide the Board in monitoring and managing potential conflicts of interest of Management, Board Members and Stakeholders, including misuse of corporate assets and abuse in related party transactions;
- (v) attend meetings of the Board, Board Committees in which you are a member or may be appointed as a member and Shareholder's meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively.

**D. Committees**

You have been appointed on the following Committees of the Board:

- (i) Nomination and Remuneration Committee- Chairman
- (ii) Audit Committee -Member

The Board of Directors (the Board) may 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.

**E. 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 Listing Agreement. There are certain duties prescribed for all Directors, both Executive and Non- Executive, which are fiduciary in nature and are as under:



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1. You will abide by the guidelines of professional conduct, role, function and duties as an Independent Director provided in Schedule IV of the Companies Act, 2013 or any amendment made thereto from time to time.
2. 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.
3. You shall act in accordance with the Company's Articles of Association and shall discharge your duties with due and reasonable care, skill and diligence.

**F. Code of Business Ethics:**

You will abide by the Code of Conduct applicable to Directors as may be adopted by the Company from time to time.

**G. List of actions that a director should not do while functioning in the Company:**

1. 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.
2. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associate.
3. You shall not assign your office as Director and any assignment so made shall be void.

**H. Performance Evaluation**

Your reappointment or extension of term and your remuneration will be recommended by the Nomination and Remuneration Committee of the Board, pursuant to a performance evaluation carried out by the Board.

**I. Remuneration**

1. You will be paid such remuneration by way of setting fees for meetings of the Board and its Committees as may be decided by the Board from time to time.
2. Pursuant to applicable law, you will not be entitled to any stock options.

**J. Confidentiality**

You must apply the highest standards of confidentiality and not disclose to any person (whether during the term of the appointment or at any time thereafter) any confidential information concerning the Company or its subsidiaries. Confidential Information shall not be used by you for any purpose other than to discharge your legal duties.

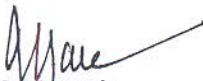


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When you cease to be a Director you shall return to the Company all property, materials and documents of the Company, other than such documents as you reasonably need to retain as a record of the discharge of your duties to the Company after notifying the Company about the retention of such documents.

You agree you will not disclose any of the matters, affairs or concern which may come to your knowledge as a Director of the Company, to any person or persons whatsoever, except in the course and in the performance of your duties, or under the compulsion or obligation of law, or when officially required to do so by the Board, or by the auditors of the Company, or by any General Meeting of shareholders of the Company.

For Ludlow Jute & Specialities Limited

  
R.V. Kanoria  
Chairman