

To,
Independent Director

**Sub:- Terms and conditions of appointment as Independent Director of Mahanagar Gas Limited (MGL)
under the provisions of the Companies Act, 2013**

Terms and Conditions of the appointment shall be as follows:

Appointment

Your appointment as Independent Director is for a period of _____ consecutive years up to _____
This tenure is subject to your meeting of the eligibility criteria for Independent Director and not being disqualified to be a Director under the applicable regulations. Your appointment shall be governed by the provisions of the Companies Act, 2013 and the Equity Listing Agreement.

The Term Independent Director should be construed as defined under the Companies Act, 2013 and the clause 49 of the Equity Listing Agreement.

The disengagement earlier than period fixed for appointment will be in accordance with the provisions of the Companies Act, 2013 or on mutually agreed terms.

Evaluation Process

The provisions contained in the Companies Act, 2013 and the Equity Listing Agreement will apply as regards performance evaluation.

Your performance shall be evaluated by the entire Board of Director excluding your goodself. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of your appointment as an Independent Director.

You will participate in reviewing the performance of the other independent and non-independent directors and the Board as a whole and also review the performance of the Chairperson of the Company, taking into account the views of the executive and non-executive directors of the Company.

Role on the Board

You are expected to provide your expertise and experience in the overall functioning of the Board and its committees in which you may be nominated. Your role and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 and the Equity Listing Agreement. You will follow "the Code for Independent Director" as per the Schedule IV of the Companies Act, 2013 and the provisions of the Clause 49 of the Equity Listing Agreement.

You are required to make a disclosure of your interest as per the requirements of Section 184 of the Companies Act, 2013.

Apart from the above, you shall perform certain other duties which are fiduciary in nature and 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 objects of the company in the benefits of its members as a whole and in the best interest of the Company, its employees and its shareholders.
- iii. You shall discharge your duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- iv. You shall not involve yourself in a situation in which you may have a direct or indirect interest that conflict or possibly may conflict, with the interest of the Company.
- v. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
- vi. You shall not assign your office as Director and any assignment so made shall be void.
- vii. You shall review management performance & compensation
- viii. You shall advice and counsel management and monitor and manage potential conflict of interest of management.

Also following is the list of things which you should refrain from doing while functioning as Independent Director of the Company:

- i. You should 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;
- ii. You should not 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;
- iii. You should refrain from any action that would lead to loss of your independence;
- iv. You should not unfairly obstruct the functioning of an otherwise proper Board or committee of the Board
- v. You should 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.

Committees

The Board of Directors may, invite you for being appointed on one or more existing Board Committees or any such committees that may be set up in future. Your appointment on such committees shall be

subject to the applicable regulations. You will be provided with the approved terms of reference of the respective committees which sets out its functions.

Independence

The Board of Directors inter alia has given due consideration to your declaration of being qualified as 'Independent Director' in accordance with the provisions of the Companies Act, 2013 and Rules made there under as well as the Equity Listing Agreement. You are expected to continue to be Independent Director during your tenure and provide periodic declaration to the effect as required by the regulation. You will be identified as 'Independent Director' in our annual report and other documents and publications of the Company. If circumstances change and you believe it may not be possible to retain your independence you should discuss this with the Chairman as soon as practicable.

Independent Directors Meeting

As per the provisions of the Companies Act, 2013 and Rules made thereunder all Independent Directors shall have a 'Independent Directors Only' meeting at least once in a year to review the performance of the executive members of the Board including the chairperson of the Company. The members shall elect a chairperson from amongst themselves during the meeting.

Remuneration

The remuneration payable to you shall be governed by the relevant provisions of the Articles of Association of the Company and the Companies Act, 2013 and Rules made there under. You will be paid remuneration by way of sitting fees for meetings of the Board and its committee/ sub-committees as may be decided by the Board of Directors of the Company. Further, you will also be paid remuneration by way of commission as may be approved by the Board and the shareholders of the Company from time to time.

In addition you will also be entitled to reimbursement of all expenses for participation in the Board and other meetings

The sitting fees, presently paid to the Non-Executive Independent Director is _____ (Rupees _____ only) for attending each meeting of the Board and ₹ _____ (Rupees _____ only) for attending each meeting of the committees / sub-committees constituted by the Board.

Code of Business Conduct

You will follow the Code of Conduct as adopted by MGL and approved by the Board of Directors of the Company and furnish an annual affirmation of the same.

You will apply the highest standards of confidentiality. All information acquired during your appointment is confidential to MGL and should not be released, either during your appointment or following termination to third parties without prior clearance from the Chairman unless required by law or by the rules of any stock exchange or regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by MGL.

Directors & Officer (D&O) Insurance

The Company has D&O liability insurance policy. The copy of the same shall be provided to your goodself on the request made for the same.

Termination

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.

Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, from time to time in force. You will not be entitled to compensation if the shareholders do not re-elect you at any time.

Your appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

General

All the terms and conditions as mentioned above shall be governed by the Companies Act, 2013, Rules made there under and Corporate Governance Requirements under the Listing Agreement , as amended from time to time.

This letter and any other contractual obligation arising out of or in connection with the Letter are governed by and shall be construed in accordance with the laws of India and subject to the exclusive jurisdiction of the Courts of India.

If you are willing to accept these terms of appointment relating to your appointment as a non-executive Independent Director of MGL, kindly confirm your acceptance of these terms by signing and returning to us the enclosed copy of this letter.

Yours Sincerely,

Rajeev Mathur
Managing Director