

महानगर टेलीफोन निगम लि०

( भारत सरकार का उद्यम )

**Mahanagar Telephone Nigam Ltd.**

(A Government of India Enterprise)

CIN: L32101DL1986GOI023501



**SPEED POST/E-MAIL**



MTNL/SECTT/DIR/2016

March 29, 2016

To  
Shri Ashok Mittal  
B-33, Sarita Vihar  
New Delhi-110076

**Sub: Letter of Appointment- Compliance of SEBI(LODR)Regulations, 2015 & Companies Act, 2013**

Dear Sir,

This is to inform that pursuant to Ministry of Communications & IT, DoT's letter no. F.NO. 2-6/2014-PSA dated 23.11.2015, the Board of Directors (the Board) of the Company has inducted you as a Part time Non- Official Director (Independent Director) on the Board of Directors of MTNL (hereinafter referred to as MTNL or the Company) with effect from 23.12.2015 for a period of 3 years or until further orders, whichever is earlier.

The terms of your Appointment are as follows:

**1. Appointment**

- Your appointment is subject to approval by the Shareholders as per the provisions of the Companies Act, 2013. Your appointment is also subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013 and SEBI(LODR) Regulations, 2015
- The term "Independent Director" should be construed as defined under the Companies Act, 2013.
- The Company has adopted the provisions with respect to appointment and tenure of Independent Director which is consistent with the Companies Act, 2013, DPE guidelines
- To Facilitate the functioning of the Board, there are presently 5(five) Board level Committees which have been constituted to recommend to the Board on various Agenda items/Policy related issues.
- We are pleased to inform that the Board has nominated you on the following Committees as Chairman/Member w.e.f.23.12.2015 and your appointment on such Committee(s) will be subject to the applicable regulations.

Sl No.	Name of the Committee	Chairman/Member
1.	Audit Committee	Member
2.	Stakeholders' Relationship Committee	Chairman
3.	Nomination & Remuneration Committee	Chairman
4.	Corporate Social Responsibility (CSR) Committee	Member
5.	Enterprise Risk Management Committee	Member

*(Handwritten signature)*

पंजीकृत एवं निगम कार्यालय : महानगर दूरसंचार सदन, 5वां तल, 9 सी.जी.ओ. कॉम्प्लेक्स, लोधी रोड, नई दिल्ली-110003

फोन कार्यालय : 24319020, फैक्स: 24324243

Regd. & Corporate Office : Mahanagar Doorsanchar Sadan, 5th Floor, 9 CGO Complex, Lodhi Road, New Delhi-110 003 India

Phone Off.: 24319020, Fax : 24324243

## 2. Expectations of the Board

- a) As a non-executive Director, you are expected to bring objectivity and independence of view to the Board's discussions and to provide the Board with effective leadership in relation to the Company's Strategy, Performance, Risk Management as well as ensuring high standards of financial probity and Corporate Governance.
- b) We request you to attend Board, Board Committees to which you have been appointed in addition to the Shareholders meetings. We also request you to devote such time, as appropriate to discharge your duties effectively and to meet the expectations from your role to the satisfaction of the Board. The Board meets at least 7 times in a year. The Audit Committee meets at least 5 times in a year. Besides, there are other meetings of various Board level Committees which are ordinarily convened to coincide with the Board meeting. Ordinarily, all meetings are held in Delhi.

## 3. Role and Duties

Your role and duties will be those normally required of a non-executive Independent Director under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. There are certain duties prescribed for all Directors, executive & non- executive, which are fiduciary in nature and are as under:

- i.) You shall act in accordance with the Company's Article of Association
- ii.) 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 for the benefit of its members as a whole, and in the best interest of the Company.
- iii.) You shall discharge your duties with due and reasonable care, skill and diligence.
- iv.) You shall not involve yourself in a situation in which you may have a direct or indirect conflict of interest or possibly may conflict with the interests 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 assignments so made shall be void.

In addition to the above requirements, your role, functions and duties as Independent Director of the Company shall be in accordance with the Code for Independent Director prescribed under the Companies Act, 2013.

You will be held liable in respect of such acts of omission/ commission by a company which had occurred with your Knowledge, attributable through Board processes and with your consent or where you did not act diligently with respect to the provisions contained in the Companies Act as well as SEBI (LODR) Regulations, 2015.



#### **4. Status of Appointment**

You will not be an employee of the Company and this letter shall not constitute a contract of employment.

#### **5. Code of Business Ethics**

We request you to adhere to the Code of Ethics and;

- a) Uphold ethical standards of Integrity and probity;
- b) Act objectively and constructively while exercising your duties;
- c) Exercise your responsibilities in a bona fide manner in the interest of the company;
- d) Devote sufficient time and attention to your professional obligations for informed and balanced decision making;
- e) 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;
- f) 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;
- g) Refrain from any action that would lead to loss of your independence;
- h) Assist the company in implementing the best corporate governance practices.

Further, where circumstances arise which make you lose your independence, you must immediately inform the Board.

#### **6. Conflict of Interest**

- a) It is accepted and acknowledged that you may have business interest other than those of the company. As a condition to your appointment, you are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form within 15 days of your appointment. Further, you are also required to give a declaration of independence in terms of section 149(7) of the Companies Act, 2013 (declaration already received).
- b) In the event of any change in circumstances which lead to conflict of Interest and the Board to receive its judgment that you are independent, this should be disclosed to the CMD, MTNL/ Company Secretary.

#### **7. Confidentiality**

All information acquired during your tenure will be kept as Confidential and shall not be released, either during your appointment or following cessation of term to third parties without prior clearance from the CMD, MTNL unless required by law or by the rules of any stock exchange or regulatory body.

Further, we request you 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.



Your attention is also drawn to the requirements under the applicable regulations and the Prevention of Insider Trading "Internal Code of Conduct for Prevention of insider trading in dealing with the Securities of MTNL" which concern the disclosure of price sensitive information and dealing in the Securities of MTNL, Consequently, we request you to avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the CMD, MTNL.

#### **8. Remuneration**

- a) 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.
- b) The sitting fees presently payable to the Independent Director is Rs. 10,000/- per meeting of the Board and Committee meeting thereof.
- c) You shall not be entitled to receive any remuneration other than the aforesaid fee and reimbursement of expenses, for attending the meetings of the Board or any committee thereof or any other purpose as decided by the Board.
- d) In addition to the remuneration described above, the Company will, for the period of your appointment, reimburse for travel, hotel and other incidental expenses incurred by you in the performance of your role and duties.

#### **9) Inspection**

The terms and conditions of your appointment shall be open for inspection at the registered office of the company by any member during normal business hours.

#### **10) Induction**

You will be invited to attend ongoing training and familiarization sessions, including briefings from management and site visits which will enable you to take informed decisions during the discharge of your duties, we urge you to attend the same.

#### **11) Insurance**

MTNL has Directors' and Officers' liability Insurance which shall cover the full term of your appointment.

#### **12) Independent Professional Advice**

There may be occasions when you consider that you need professional advice in furtherance of your duties as a Director and it is deemed appropriate/ necessary to consult independent advisers at the company's expense. The Company will reimburse the full cost of expenditure incurred on the engagement of such advice in accordance with the Company's Policy.

#### **13) Disclosure Interest**

The Company is required to include in its Annual Accounts a note of any material interest that a Director may have in any transaction or arrangement that the Company has entered into. Therefore, any such



interest should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record your interest appropriately. A general notice disclosing your interest in any contract with a particular person, firm or company is acceptable.

#### 14) 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 on the Board.
- b. Your tenure of appointment is subject to any further order by the Administrative Ministry.

#### 15) Governing Law

This letter is governed by and will be interpreted in accordance with Indian Law and your appointment shall be subject to the jurisdiction of the Indian courts. If the terms of appointment as a non- executive Independent Director of MTNL is acceptable to you, kindly confirm your acceptance of these terms by signing and returning to us the duplicate copy of this letter.

#### 16) Website

The above stated terms and conditions shall be posted on the Company's website i.e. [www.mtnl.net](http://www.mtnl.net)

This issues with the approval of the Competent Authority.

Yours Sincerely

For and on behalf of  
Mahanagar Telephone Nigam Limited

  
(S R Sayal)  
Company Secretary

Encl: As above

#### ACKNOWLEDGEMENT

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

Signature:

Name:

DIN:

Date: