**NOTICE OF EXTRAORDINARY GENERAL MEETING TO PASS SPECIAL RESOLUTION**

X Y Co. Ltd.

……….……….

……….……….

Notice is hereby given that an Extraordinary General Meeting of the Company will be held at the ………. Sabhagar . ...............on ......………. ,……….th……….20……….at……….P.M. whereat the following Resolutions shall be proposed as Special Resolutions of the company and adopted as such if thought fit with or without modification.

**Resolution**

"RESOLVED that pursuant to section 309 and other applicable provisions of the Companies Act, 1956 and subject to approval of the Central Government under section 269 and to such modifications or changes which may be made or required by the Central Government, consent of the company be and hereby accorded to the appointment of Shri ...................as the Managing Director of the Company for a period of 5 years with effect from……….upon the remuneration and terms and conditions as set out in the agreement, a draft whereof is placed before the meeting and initialled by the Chairman of the Board of Directors for the purpose of identification.

FURTHER RESOLVED that subject to the approval of the Central Government under section 269(3) read with section 198(4) of the Companies Ac t, the aforesaid remuneration be paid to Shri……….as minimum remuneration notwithstanding that the Company may have no profits or its profits may be inadequate in any financial year of the Company during his term of office as the Managing Director.

AND RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds and things as may be necessary or expedient for giving effect to this Resolution."

**Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956**

The previous Managing Director Shri……….desired not to be re-appointed as Managing Director for a further period of ……….years due to his personal reasons, the Company had to appoint Managing Director for its business. The ssignment to select a suitable person for the post of Managing Director of the Company was given to M/s. .................... Consultants, who have recommended two names for the post, out of which the Company appointed Shri ……….as the Managing Director, subject to the consent of the Company in General Meeting and approval of the Central Government, if required.

The remuneration expected by Shri……….and accepted by the Board of Directors is higher than the remuneration payable in accordance with Part II of the Schedule XIII of Companies Act, 1956 and therefore the approval of the Central Government for the appointment of Shri as Managing Director of the Company will be necessary.

3. The remuneration payable to the Managing Director and the terms/conditions of his appointment are as under:

1. **Salary**

Rs. 25,000 per month including all allowances.

1. **Commission**

Commission at the rate of 1 % of the net profits of the Company calculated in the manner laid down in section 309(5) of the Companies Act, 1956.

1. **Accommodation**

Free use of furnished residential accommodation owned by the Company

1. **Medical Reimbursement**

Reimbursement of medical expenses for self and family members incurred and benefit of Group Insurance Scheme, subject to a ceiling of one month's salary in a year.

1. **Leave Travel Concession**

Leave Travel Concession for self and family members once a year to and from any place in India.

1. **Club Fees**

Cost of membership fees to two such Clubs as the Board may decide.

1. **Personal Accident Insurance**
2. Personal Accident Insurance of an amount, the annual premium of which does not exceed Rs. 1,000.
3. **Contribution to Provident Fund** **Gratuity**

and Contribution @ 10% of the salary to th provident fund, shall also be entitled to

gratuity at the rate of half a month's salary for each completed year of service, subject to a ceiling of Rs. 1,00,000.

1. **Car**

Free use of motor car with services of a driver for business and personal purposes.

1. **Telephone**

Free telephone facility at residence.

**Terms/Conditions of Appointment**

The terms and conditions of appointment of Shri………. Managing Director of the Company are set out in the draft agreement and the salient features of the same are as under:

(i) The Managing Director shall devote whole of his time to the business of the Company and shall use his best endeavours to promote the interests of the Company. He shall not disclose any trade secrets or information relating to the customers of the Company to any person or persons.

(ii) The Managing Director will exercise and carry out all such powers and duties which are conferred or imposed by the Board of Directors of the Company. He will act subject to the Superintendence, Control and direction of the Board and he will be responsible for the business and affairs of the Company.

(iii) The Managing Director will not directly or indirectly engage in other business, occupation, or employment whatsoever. Nor he shall hold the office of Director of any other Company or directly or indirectly subscribe, acquire, hold or deal in any shares of the Company or of any other Company carrying on a similar business.

(iv) The Managing Director shall be entitled to six weeks leave with full salary. However, he shall not be entitled to take continuous leave of three weeks,

(v) If the Managing Director shall at any time be incapacitated due to illness or otherwise from performing his duties as such for three consecutive months or if he become unfit to hold the office in the opinion of Board of Directors, then the Company may terminate the appointment by three months' notice in writing or a sum equivalent to three months' salary in lieu of notice.

(vi) The Managing Director may also resign from his office by giving six months' notice to the Company in writing.

Shri……….is highly qualified and having wide business experience in the field of marketing, production and management. His bio-data is as under:

(i) Name : Mr . ........................................................

(ii) Age and Date of Birth : ……….years . ……….

(iii) Educational Qualification : M. Com., LL.B.,

(iv) Professional Qualification : B.E.(Mech.), M.B.A. (Oxford), Diploma

in Personnel Management, A.M.I.E.

(v) Experience : (i) Worked as……….in ……….

from……….to……….

(ii) Worked as……….in ……….

from ……….to ……….

(iii) Worked as……….in……….

from ……….to……….

(iv) Worked as……….in ……….

from……….to ……….

The remuneration proposed to be paid to Shri……….during his term ofoffice including the minimum remuneration is required to be approved by the Company in General Meeting by Ordinary Resolution in terms of section 309 read with section 198 of the Companies Act, 1956.

The Board of Directors recommend the passing of the ordinary Resolution contained in item No ……….of the Agenda of the attached notice for the above purpose.

No Director, other than Shri……….is interested in the passing of the above resolution.

The draft agreement to be executed between the Company and the Managing Director is kept at the registered office of the Company and open for inspection for members during business hours on any working day upto and including the date of Annual General Meeting.

By Order of the Board of Directors

.............20………. Secretary