

(ON THE LETTER HEAD OF COMPANY)

Date: \_\_\_\_\_

To,  
(Name of Independent Director)  
(address)

Dear Sir,

**Subject: Your appointment as an independent director of Sunil Hitech Engineers Limited**

We are pleased to inform you that you have been appointed as an independent director of Sunil Hitech Engineers Limited at the Annual General Meeting/Board Meeting held on \_\_\_\_\_ for a term of five years commencing from \_\_\_\_\_ upto \_\_\_\_\_.

**PRELIMINARY**

Your appointment is subject to the following:

1. You shall submit a declaration under Section 149 (7) of the Companies Act, 2013("Act") stating that you meet the criteria of Independence at the beginning of every Financial Year during your tenure as an Independent Director
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 shall not exceed the limit stipulated under the Act.
3. You will have to ensure throughout your tenure that you do not get disqualified to act as a Director in terms of the provisions of Section 164 of the Act.
4. You will ensure compliance with other provisions of the Act as applicable to you as an Independent Director.

**A. TERM**

You shall hold office of Independent Director for a period of five years commencing from \_\_\_\_\_ to \_\_\_\_\_

**B. YOU ARE EXPECTED TO**

- (i) work solely in the interest 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) guide the Board in ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.

**C. You are expected to serve the following committees of the Board. (as may be applicable to respective director)**

- a. ....
- b. ....
- c. ....

**D. Code of Conduct and Duties and Responsibilities**

- (i) You shall abide by the Code of Conduct of the Company as set out in Annexure A.
- (ii) You will abide by the guidelines of professional conduct, role, function and duties as an Independent Directors provided in Schedule IV of the Companies Act, 2013, as set out at Annexure-B hereto.
- (iii) You are expected to stay updated on how best to discharge your roles, responsibilities, and duties and liabilities, as an Independent Director of the Company under applicable law, including keeping abreast of current changes and trends in economic, political, social, financial, legal and corporate governance practices.

**E. You shall not:**

- (i) Disclose confidential information of the company to any third person.
- (ii) Indulge in any practice that may harmful to the interest of the company.
- (iii) Do the acts, deeds forbidden under Guidelines of Professional Conduct, Role, Function and Duties as an Independent Director as set out in Annexure B.

**F. 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.

**G. Training**

You will be entitled to the benefit of a training program to familiarize yourself with the business and affairs of the Company, growth plans, the peculiarities of the industry in which the Company operates its goals and expectations and long term plans and objectives.

**H. Remuneration**

**I. You shall be entitled to Remuneration as under:**

- (i) sitting fees for attending each meeting of the Board and its Committees as may be determined by the Board from time to time, and

**II. You will be entitled to reimbursement of expenses incurred by you in connection with attending the Board meetings, Board Committee meetings, general meetings and in relation to the business of the Company towards hotel accommodation, travelling and other out-of-pocket expenses.**

III. Pursuant to applicable law, you will not be entitled to any stock options.

Please confirm your acceptance by signing, dating, and returning a copy of this letter to the Company.

Yours Truly,

For **Sunil Hitech Engineers Limited**

\_\_\_\_\_  
**AGM (HR)**

Agreed and accepted

\_\_\_\_\_  
(Name of Independent Director)

**ANNEXURE – A**

**(Already posted on the Company's Website under Code of Conduct section)**

## **Annexure-B**

### **Guidelines of Professional Conduct, Role, Function and Duties as an Independent Director (As provided in Schedule IV of the Companies Act, 2013)**

#### **Guidelines for Professional conduct:**

An Independent directors 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 towards 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. To assist the Company in implementing the best corporate governance practices.

#### **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 the 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 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.

**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 including a Separate meeting of the independent director and of the Board committees of which he is a member.
4. participate constructively and actively in the committees of the Board in which he is chairperson or member.
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 behavior, 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.