



## SAB INDUSTRIES LIMITED

Date: [•]

Dear [•],

### ***Sub: Appointment as Independent Director***

We thank you for your confirmation to "SAB Industries Limited" (the "**Company**") that you meet the "independence" criteria as envisaged in Section 149(6) of the Companies Act, 2013 ("**2013 Act**") and Clause 49 of the Listing Agreement as amended vide circular issued by Securities and Exchange Board of India ref no. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 and also for your consenting to hold office as a director of the Company.

Pursuant to your confirmation, we are pleased to confirm that upon the recommendation of the Nomination and Remuneration Committee, the Board and the shareholders have approved your appointment as an Independent Director on the Board of the Company.

This letter sets out the terms of your appointment as an Independent Director. Your relationship with the Company will be that of an office-holder and not one of contract for employment in the Company.

The terms of your appointment, as set out in this letter, are subject to the extant provisions of the (i) applicable laws, including 2013 Act and Clause 49 of the Listing Agreement (as amended from time to time) and (ii) Articles of Association of the Company ("**AOA**").

#### **1. Appointment**

Your appointment will be for an initial term up to [•] and shall take effect from [•], unless terminated earlier or extended, as per the provisions of this letter or applicable laws ("**Term**").

As an Independent Director you will not be liable to retire by rotation.

Re-appointment at the end of the Term shall be based on the recommendation of the Nominations and remuneration Committee and subject to the approval of the Board and the shareholders. Your re-appointment would be considered by the Board based on the outcome of the performance evaluation process and you continuing to meet the independence criteria.

You may cease to hold office as a Director at any time by giving a written notice to the Company and copy of the same to Registrar of Companies as per relevant format/ rules prescribed by Ministry of Corporate Affairs from time to time. It is desirable that you give the Board of Directors reasonable forewarning of your intention to resign;

Further to your appointment as an Independent Director on the Board of the Company, you shall adhere to/comply with the provisions of Section 165 of the Companies Act, 2013, Clause 49 of the Listing agreement and all other applicable provisions of the acts/ listing agreement in regard to limit of Directorships/memberships of committees and/or such other provisions as may be applicable from time to time.

The Board may from time to time request you to participate and become a member in one or more committees of the Board.

#### **2. Role, duties and responsibilities**

An Independent Director has the same legal responsibilities as any other director and the Board together has collective responsibility for the success of the Company. The Companies Act, 2013 has however introduced additional duties and responsibilities for independent directors of the a company including "code of Independent Directors provided in Schedule IV of the Companies Act, 2013 , which will have to be adhered to. Your Role, duties and responsibilities as an Independent Director will be governed by the provisions of Companies Act, 2013, Listing Agreement and other applicable rules and regulations.

You are advised to read the Roles and Functions as well as the Duties of the Independent Directors as given in the above said Schedule IV to the Companies Act, 2013 including the Duties u/s 166 and the Disclosure of Interest by director as required u/s 184 of the Companies Act, 2013, "Responsibilities of the Board" as outlined in the Corporate Governance requirements as prescribed by Stock Exchanges under Clause 49 of the Listing Agreement, and Accountability under the Director's Responsibility Statement and follow the same during their tenure as an independent director on the Board of Directors of the Company

You will also be responsible for providing guidance in the area of your expertise.

Directors being trustees of all the stakeholders of the Company own fiduciary duties towards them and you are accordingly expected to:



- act in good faith and in the best interests of the Company.
- to exercise your duties with due and reasonable care, skill and diligence and to exercise independent judgment
- not to involve in a situation in which you may have direct or indirect interest that conflicts or possibly may conflict, with the interest of the company.
- not achieve or attempt to achieve any undue gain or advantage either to yourself or your relatives, partners or associates.
- not to assign your office and
- To act in accordance with the Articles of association of the Company

You are requested to follow the above said and not do anything contrary to it.

**3. Time Commitment**

Considering the nature of the role of a director, it is difficult for a company to lay down specific parameters on time commitment. You agree to devote such time as is prudent and necessary for the proper performance of your role, duties and responsibilities as an Independent Director.

**4. Insurance**

The Company will take an appropriate Directors' and Officers' Liability Insurance policy and pay the premiums for the same. It is intended to maintain such insurance cover for the Term of your appointment, subject to the terms of such policy in force from time to time.

**5. Adherence to the Codes and Policies of the Company**

As a Non-executive Independent Director of the Company, you have to comply with the Code of Conduct and Business Ethics, policies of the Company, Insider Trading guidelines and give the requisite declarations as required under various applicable legislations under the law of land.

**6. Other Interest/Responsibilities**

It is accepted and acknowledge that you have business interest other than those in the company. As a condition of your appointment you are required to declare all such directorships, appointments and interest to the Board in writing in prescribed form annually and as and when there is any change. You also agree that upon becoming aware of any potential conflict of interest with your position as Independent Director of the Company, you shall promptly disclose the same to the Chairman and the Company Secretary.

You shall at the first meeting of the Board in which you participates as an Independent director and thereafter at the first meeting of the Board in every financial year or as and when there is a change in circumstances, which may affect your status as an Independent Director, submit a declaration to the Board that he meets the criteria of independence specified under Section 149(6) of the Act.

**7. Changes of personal details**

During the Term, you shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company

**8. Confidentiality and Business Ethics**

You shall be subject to confidentiality restrictions and any information that you may receive should not be disclosed to any third party, either during your term of appointment as director or thereafter, without the prior written consent of the Company.

**9. Performance Evaluation mechanism**

Your performance as an Independent Director will be reviewed in accordance with processes laid down by the Board from time to time. The continuation of the term of appointment and/or re-appointment shall be determined on the basis of such performance evaluation.

**10. Remuneration and Reimbursement**

You shall be entitled to such sitting fees for attending meetings of the Board and/or Committees thereof, as may be fixed by the Board from time to time. In addition to the above, you shall also be entitled to reimbursement of actual expenditure for boarding, lodging, travelling and other incidental expenses incurred for attending Board meetings, Committee meetings and Shareholder meetings.

**11. Termination**

Your directorship on the Board of the Company shall terminate or cease in accordance with law. Apart from the grounds of termination as specified in the Companies Act 2013, your directorship may be terminated for violation of any provision of the SABIL Code of Conduct as applicable to Non-Executive Directors.



You may resign from the directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation.

If at any stage during the Term, there is a change that may affect your status as an Independent Director as envisaged in Section 149(6) of the 2013 Act or, if applicable, you fail to meet the criteria for "independence" under the provisions of Clause 49 of the Listing Agreement, you agree to promptly submit your resignation to the Company with effect from the date of such change.

12. **Miscellaneous**

- This letter represents the entire understanding, and constitutes the whole agreement, in relation to your appointment and supersedes any previous agreement between yourself and the Company with respect thereto and, without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom.
- No waiver or modification of this letter shall be valid unless made in writing and signed by you and the Company.

13. **Acceptance of Appointment**

We are confident that the Board and the Company will benefit immensely from your rich experience and we are eager to have you as an integral part of the growth of our Company. If these terms of appointment are acceptable to you, please confirm your acceptance by signing and returning the enclosed copy of this letter.

We thank you for your continued support and commitment to the Company.

Yours Sincerely,  
For SAB Industries Limited

---

Name:  
Designation:

---

**AGREE AND ACCEPT**

I have read and understood the terms of my appointment as an Independent Director of the Company and I hereby affirm my acceptance to the same.

---

Name: [-]  
Director

Date:  
Place