



TERMS & CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTOR

1. APPOINTMENT

In accordance with the provisions of the Companies Act, 2013 ("**Act**") and other applicable laws, you will serve as an Independent Director of the Board w.e.f. _____ ("**Date of Appointment**") till _____. ("**First Term**"). As an Independent Director you will not be liable to retire by rotation

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

2. ROLE, DUTIES AND RESPONSIBILITIES

- a) As a member of the Board you along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:
 - Requirements under the Companies Act, 2013;
 - Accountability under the Directors' Responsibility Statement.
- b) You shall abide by the 'Code for Independent Directors' as outlined in Schedule IV to Section 149(8) of the Act, and the duties of directors as provided in the Act (including Section 166)
- c) You will abide by the Code of conduct of the company for its Board of Directors & Senior Management personnel, which requires the directors to act honestly, ethically, and with integrity and in a professional and respectful manner.
- d) You will abide by Code of Conduct for Prevention of Insider Trading Practices of the company, which lays procedures to be followed, and disclosures to be made while dealing in the shares of the Company and restricts dealing in shares when in possession of any unpublished price sensitive information
- e) You will provide guidance in your area of expertise.
- f) You are expected to:
 1. take decisions objectively and solely in the interests of the Company;
 2. facilitate Company's adherence to high standards of ethics and corporate behaviour;
 3. guide the Board in monitoring the effectiveness of the Company's governance practices and to recommend changes, required if any;
 4. 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;
 5. 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.

3. PROFESSIONAL CONDUCT FOR INDEPENDENT DIRECTORS

An independent director shall



- (i) uphold ethical standards of integrity and probity;
- (ii) act objectively and constructively while exercising his duties;
- (iii) exercise his responsibilities in a bona fide manner in the interest of the company;
- (iv) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (v) 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;
- (vi) 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;
- (vii) refrain from any action that would lead to loss of his independence;
- (viii) where circumstances arise, which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (ix) assist the company in implementing the best corporate governance practices.

4. ROLE & FUNCTIONS OF INDEPENDENT DIRECTORS

As an Independent Director, you shall

- (i) 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;
- (ii) bring an objective view in the evaluation of the performance of board and management;
- (iii) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (iv) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- (v) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (vi) balance the conflicting interest of the stakeholders
- (vii) 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;
- (viii) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

5. DUTIES

As an Independent Director, you shall:

- (i) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (ii) 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;
- (iii) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (iv) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (v) strive to amend the general meetings of the company;



- (vi) 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;
- (vii) keep themselves well informed about the company and the external environment in which it operates;
- (viii) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (ix) 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;
- (x) 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;
- (xi) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (xii) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- (xiii) 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.

6. BOARD & ITS COMMITTEES

As advised by the Board, during the tenure of office, you shall be subject to compliances under Companies Act, 2013 and required to serve on one or more of the Committees of the Board. Upon your appointment to any one or more Committees, you will be provided with the appropriate Committee charter which sets out the functions of that Committee.

Further, you shall timely inform the company about the Board as well as Committee positions you may occupy in any other companies, whether listed or not and notify the changes as and when they take place.

7. TIME COMMITMENT

Considering the nature of the role of a director, it is difficult for the 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.

8. REMUNERATION

You will be entitled for the following:

1. such sitting fee for attending each meeting of the Board and for attending each Committee Meeting of the Board, as may be determined by the Board from time to time;
2. Travel tickets by business class, conveyance facility and accommodation in connection with attending the directors, members and other meetings in relation to the business of the Company or reimbursement of expenses incurred in relation thereto;
3. In addition to the sitting fees, commission may also be paid to you on quarterly basis. In determining the amount of commission payable, the Board, shall consider performance of the Company as well as your performance as evaluated by the Board. However, the



commission so payable along with sitting fee shall not exceed such amount, as decided by the Board;

4. As restricted by law, you will not be entitled to any stock options.

9. ANNUAL DISCLOSURE & DISCLOSURE OF INTEREST

At the first meeting of the Board in every financial year or whenever there is any change in the circumstance which may affect your status as an independent director, you shall give a declaration to that effect confirming that you meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and other applicable provisions.

In addition to the disclosure required under Section 149, you shall also make the appropriate disclosures of your concern or interest under Section 184 of the Companies Act, 2013.

10. DIRECTORS AND OFFICERS INSURANCE

The company will provide you cover under the Directors and Officers insurance policy to pay for the Personal liability for claims made against you while serving on the Board and/or as an officer of the Company.

11. CHANGES IN PERSONAL DETAILS

During your 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.

12. DISENGAGEMENT

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.

Your appointment may also be terminated in accordance with the provisions of the Companies Act, 2013 and other applicable provisions.

13. EXTENSION OF TERM

Upon the expiry of your First Term and subject to your eligibility under the relevant provisions of the Act, Rules, and other applicable laws, as prevailing from time to time, the Board may, at its discretion, recommend to the shareholders renewal of your term.

14. 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.

15. CONFIDENTIALITY

All information acquired during your tenure of directorship is confidential ("**Confidential Information**") and should not be disclosed, either during your tenure or following termination (by whatever means) to third parties without prior clearance from the Board. On reasonable



request, you shall surrender any documents and other materials made available to you by the Company.

If any Confidential Information is required to be disclosed by you in response to any summons or in connection with any litigation, or in order to comply with any applicable law, order, regulation or ruling, then any such disclosure should be, to the extent possible, with the prior consent of the Board.

Yours sincerely,

For TRONTEK ELECTRONICS LIMITED
(Formerly known as Trontek Electronics Private Limited)

Director

Acceptance: _____