

Draft Letter of Appointment of an Independent Director

Date: [●]

Mr. / Ms. [●]

[●]

Director Identification Number (DIN): [●]

Dear Mr. / Ms. [●],

Subject: Your appointment as Independent Director (Non-Executive role) on the Board of Directors of Ardee Engineering Limited (Formerly known as Ardee Engineering Private Limited) (“the Company”) in accordance with provisions of the Companies Act, 2013 and the relevant rules, circular or notifications issued thereunder.

At the outset, we would like to thank you for considering joining the Board of Directors of the Company (“the Board”). The Company will benefit immensely from your wealth of experience and the guidance that you will be able to provide to the Company.

We write to confirm that the Board has approved your appointment as Director (Independent and Non-Executive role) on the Board on [●]. Your appointment is with effect from [●], subject to the approval of shareholders/ approved by the shareholders in the General Meeting/Postal Ballot in terms of the applicable provisions of the Companies Act, 2013, and the relevant rules, circular or notifications issued thereunder (“the Act”). A certified true copy of the resolutions of the Board /shareholders is attached herewith as **Annexure – 1**.

The appointment is basis following declarations / documents provided by you:

- a) Form DIR-2 – Consent to act as a director of the Company
- b) Form MBP-1 – Notice of Interest by director
- c) Form DIR-8 – Intimation by director about directorship in other companies and declaration that he is free from disqualification from being a director
- d) Additional declaration by Independent Director
- e) CV and KYC Documents

This letter sets out the terms and conditions of your appointment as Independent and Non-Executive Director of the Company. Kindly note that your relationship with the Company will be that of an office holder and shall not be a contract of employment. There will be no relationship of employer and employee as a consequence of appointment as a Director of the Company.

The terms of your appointment as set out hereunder is subject to provisions of applicable laws, including the Act and the Articles of Association of the Company.

1. Term of Appointment

You have been appointed for an initial term of [●] years from the effective date of the appointment *i.e.*, up to [●]. You would also be eligible for re-appointment as Independent and Non-Executive Director, subject to provisions of the applicable law including the Act, through recommendation of the Board or any of its

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Committees appointed in this regard and approval of the shareholders in their general meeting, for a further term as approved, under largely the same terms and conditions.

2. Expectation of the Board from you as an Independent and Non-Executive Director

As an Independent and Non-Executive Director, we are certain that you will bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective leadership in relation to the Company's strategy, performance and risk management as well as ensuring high standards of financial integrity and corporate governance.

We will look forward to you attending meetings of the Board, its Committees to which you may be appointed as a member, as also shareholders meetings. The notice of the meeting shall specify the place of the meeting and it is expected that the meeting shall also have the facility to participate through audio visual means, subject to provisions of the applicable law including the Act. The Board would seek your involvement in the business meetings, introduction and engagement with prospective customers, employees, advisors and other such parties. In addition to such attendances, you are expected to devote appropriate preparation time ahead of each meeting.

3. Committees of the Board

The Board may also invite you for being appointed on one or more Committees of the Board. Your appointment on such Committee(s) will be subject to the applicable laws and regulations including the Act.

4. Fiduciary Duties

Your role and duties will be those normally required of an Independent and Non-Executive Director under the Companies Act, 2013. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and *inter-alia* include the following:

- (i) You shall act in accordance with the Company's Articles of Association;
- (ii) You shall act diligently and 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;
- (iii) You shall not involve yourself in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company;
- (iv) You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates;
- (v) You shall not assign your office as Director and any assignments so made shall be void.

5. Access to Company Information and Independent Advice

You are entitled to obtain, at the Company's expense, independent legal or other professional advice, related to business of the Company.

You are also authorized to seek any information, where necessary, which directors may require from any employee of the Company. Where appropriate, a formal request may be made to the Managing Director and Chief Executive Officer, Chief Financial Officer and Company Secretary or any of the business / functional heads of the Company, to facilitate the process.

6. Training and Development

You will be provided with necessary documents / brochures, reports and internal policies to enable you to familiarize with the Company's procedures and practices. You may also be invited to attend ongoing training and familiarization sessions for Directors including site visits.

Periodic presentations shall be made at the Board and Board Committee meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved.

7. Evaluation Process

The performance evaluation of individual Directors shall be done by the entire Board, excluding the Director being evaluated, on an annual basis.

8. Conflict of Interest

It has been noted and acknowledged by us that you may have business interests other than those of the Company. As a condition to your appointment and pursuant to the provisions of the Act, you are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form (Form MBP-1), from time to time, in future.

In the event that your circumstances seem likely to change and might give rise to a conflict of interest, or when applicable, circumstances that might lead the Board to revise its judgement that you are independent, this should be disclosed to both the Chairman and the Company Secretary.

9. Confidentiality

You agree that, both during and after the term of your appointment, you will not use for your own, or for another's benefit, or disclose or permit the disclosure of any confidential information relating to the Company, subsidiary or any group or associate companies of the Company, which you may acquire by virtue of your position as an independent director, including without limitation, any information about the deliberations of the Board. The restriction shall cease to apply to any confidential information which may (other than by reason of the director's breach of this term), become available to the public generally.

10. Powers and the Company's Responsibilities

You shall not be involved in the day-to-day management or conduct of the Company. You shall not be named in any correspondence, applications, licenses, approvals, compliance reports or otherwise as the person in charge of or responsible for the operations of the Company (including without limitation as "officer who is in default" and "occupiers" or "employers") or compliance by the Company of any laws or licenses or as an "occupier" or an "officer who is in default". The Company shall assert such position in any notice, reply, litigation or other proceedings in which any liability is sought to be attached to you.

11. Liabilities

As per Section 149(12) of the Act, you shall be held liable only in respect of such acts of omission or commission by a company which had occurred with your knowledge, attributable through Board processes, and with your consent or connivance or where you had not acted diligently.

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The Company shall reimburse Directors for any legal expenses incurred in respect of those liabilities that the director may incur as a director of the Company, provided that there is no fraud or misrepresentation on the director's part, except that to the extent that any claim under the insurance is invoked, any such expenses shall be paid to the Director under the terms of the Insurance.

12. Indemnity

You are granted an indemnity from the Company in respect of liabilities incurred as a result of your office, to the extent permitted by law including the Act.

13. Provision for Directors and Officers Insurance, if any

The Company has a Directors and Officers Insurance Policy in place, which shall also be extended to you as an Independent and Non-Executive Director. The details of the same shall be shared with you separately.

14. Code of Conduct

During the tenure of your appointment, we trust that you will comply with provisions of the Code of Conduct for Directors adopted by the Board.

As Independent Director, you are also required to comply with the Code for Independent Directors as contained in Schedule IV of the Companies Act, 2013.

We are certain that you will uphold the interests of the Company and fulfill your fiduciary obligations. We further trust that you will act in accordance with the highest standards of honesty, integrity, fairness and good faith and due diligence in performing your duties.

15. List of actions which should be avoided while functioning as an Independent and Non-Executive Director

- (i) Not allow any extraneous considerations that will vitiate your exercise of objective independent judgment, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (ii) 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;
- (iii) Not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
- (iv) 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;
- (v) Not enter into insider trading of securities;
- (vi) Not put yourself in a position where you have or may have an actual or potential conflict of interest with the Company and, should such an occasion arise, you should discuss the matter with the Board or the Company Secretary immediately;

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- (vii) not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates;
- (viii) Not assign your office and any assignment so made shall be void;
- (ix) Not hold singly or along with your relatives, shares exceeding 2% or more of the total voting power of the Company.

16. Remuneration, Sitting Fees, Commission or Reimbursement of Expenses

- (i) You shall be entitled to sitting fees for each Board Meeting of Rs. [●] and further no sitting fees will be paid for committee meetings, effective from [●].
- (ii) You shall be entitled to receive reimbursement of expenses including travel, boarding and lodging, based on actuals, for participating in the Board, its Committee and other meetings.
- (iii) The Company does not pay sitting fees to its Directors as of now. Payment of sitting fees, if any, in future, shall be subject to the approval of the Board and also subject to the ceilings or conditions as specified in the Act.
- (iv) Profit related commission, if any, shall be subject to the provisions of the Act and at the discretion of the Board or its appointed Committee and the shareholders.

17. Governing Law

The Appointment and the terms are governed by the laws of India.

We are confident that the Board and the Company shall benefit immensely from your rich experience.

We are eager to have you on Board as an integral part of the growth of the Company. We request you to confirm and acknowledge your appointment as Independent and Non-Executive Director by signing a copy of this letter.

Yours sincerely,

For Ardee Engineering Limited

Chairperson

Date : [●]

Place : [●]

I consent to accept my appointment as Independent and Non-Executive Director of Ardee Engineering Limited as per the terms set out above.

[●]

DIN :