

Date: _____

To,
_____ (DIN _____)

Sub – Letter of Appointment as Non-Executive Independent Director

Dear Sir/Madam,

We are pleased to confirm your appointment on the Board of Directors of Nihilent Limited (hereinafter referred to as Nihilent or the Company) as Non-Executive Independent Director (subject to confirmation next Annual General Meeting of the Company).

This letter of appointment sets out the terms and conditions covering your appointment which are as follows:

Appointment

Your appointment as a Non-Executive Independent Director is for a period of 5 (five) consecutive years up to the conclusion of the Annual General Meeting of the Company to be held in the calendar year ____, subject to the confirmation at the next Annual General Meeting. This appointment is subject to you meeting the eligibility criteria for Independent Director and not being disqualified to be a Director under the applicable regulations. Your appointment shall be governed by the provisions of the Companies Act, 2013, the rules prescribed thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended from time to time and as applicable (“**Listing Regulations**”) as required.

The term “Independent Director” shall be construed as defined under the Companies Act, 2013 and Listing Regulations and such other regulations as may be notified from time to time. The disengagement earlier than period fixed for appointment will be in accordance with the provisions of the Companies Act, 2013 or on mutually agreed terms.

Evaluation Process

The provisions contained in the Companies Act, 2013 and the Listing Regulations will apply as regards performance evaluation. Your performance shall be evaluated annually by the Board of Directors/Nomination and Remuneration Committee of our Company excluding your goodself. Your continuation and re-appointment on the Board shall be subject to the outcome of the yearly evaluation process

Role on the Board

You are expected to provide your expertise and experience in the overall functioning of the Board and its committees in which you may be nominated. Your role and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 and the Listing Regulations. Independent directors have the same general legal responsibilities to the Company as that of any other director.

You are required to make a disclosure of your interest as per the requirements of Section 184 of the Companies Act, 2013.

Apart from the above, you shall perform certain other duties which are fiduciary in nature and are as under:

- i. You shall act in accordance with the Company's Articles of Association.
- ii. You shall act in good faith in order to promote the objects of the Company in the benefits of its members as a whole and in the best interest of the Company, its employees and its shareholders.
- iii. You shall discharge your duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- iv. You shall not involve yourself in a situation in which you may have a direct or indirect interest that conflict or possibly may conflict, with the interest of the Company.
- v. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
- vi. You shall not assign your office as Director and any assignment so made shall be void.
- vii. You shall review management performance & compensation.
- viii. You shall advise and counsel management and monitor and manage potential conflict of interest of management.
- ix. You shall oversee and ensure the integrity of financial information and legal compliance.
- x. You shall review the Company's strategy, the annual financial plan and monitor the Company's performance.
- xi. You shall safeguard the interests of all stakeholders, particularly the minority shareholders.
- xii. You shall 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.
- xiii. you shall moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest

As an Independent Director of the Company, you shall:

- i. uphold ethical standards of integrity and probity;
- ii. act objectively and constructively while exercising your duties;
- iii. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- iv. not allow any extraneous considerations that will vitiate your 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;
- 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. refrain from any action that would lead to loss of your independence;
- iv. ensure that if circumstances arise under which you may lose your independence, you will immediately inform the Board accordingly;

- v. not unfairly obstruct the functioning of an otherwise proper Board or any committee of the Board;
- vi. shall strive to be present at the annual Independent Directors' meeting;
- vii. 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;
- viii. assist the company in implementing the best corporate governance practices.
- ix. Exercise responsibilities in a *bona fide* manner in the interest of the company

Membership on Committees

The Board of Directors may invite you for being appointed on one or more existing Board Committees or any such committees that may be set up in future. Your appointment on such committees shall be subject to the applicable regulations. You will be provided with the approved terms of reference of the respective committees which sets out its functions.

Independence

The Board of Directors inter alia has given due consideration to your declaration of being qualified as an 'Independent Director' in accordance with the provisions of the Companies Act, 2013 and Rules made there under as well as the Listing Regulations.

You are expected to continue to be an Independent Director during your tenure and provide periodic declaration to the effect as required by the regulation. You will be identified as an 'Independent Director' in our annual report and other documents and publications of the Company. If circumstances change and you believe it may not be possible to retain your independence you should discuss this with the Chairperson as soon as practicable.

Independent Directors Meeting

As per the provisions of the Companies Act, 2013 and Rules made thereunder all Independent Directors shall have an 'Independent Directors Only' meeting at least once in a year to review the performance of the executive members of the Board including the chairperson of the Company.

All the independent directors of the company shall strive to be present at such meeting. The meeting shall:

- a. review the performance of non-independent directors and the Board as a whole;
- b. review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- c. assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Remuneration

The remuneration payable to you shall be governed by the relevant provisions of the Articles of Association of the Company and the Companies Act, 2013 and rules made

there under. You will be paid remuneration by way of sitting fees for meetings of the Board and its committee as may be decided by the Board of Directors of the Company. Further, you will also be paid remuneration by way of commission as may be approved by the Board and the shareholders of the Company from time to time. This amount shall not exceed 1% of the net profit of the Company for the year calculated as per the provisions of the Companies Act, 2013.

In addition you will also be entitled to reimbursement of all expenses for participation in the Board and other meetings. You will be entitled to sitting fees for attending each meeting of the Board of the committees constituted by the Board, as may be decided by the Board of Directors of the Company from time to time.

Code of Business Conduct

You shall abide by “Code of Conduct for Independent Directors” as per the Schedule IV of the Companies Act, 2013, the provisions of the Listing Regulations and the Code of Conduct of the Company. You will apply the highest standards of confidentiality. All information acquired during your appointment is confidential to Nihilent and should not be released, either during your appointment or following termination to third parties without prior clearance from the Chairperson unless required by law or by the rules of any stock exchange or regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by Nihilent.

Directors & Officer (D&O) Insurance

The Company has D&O liability insurance policy amounting to Rs.1600 million to pay for the personal liability of directors and officers for claims made against them while serving on the Board and / or as an officer of the Company. The copy of the same shall be provided to your goodself on the request made for the same.

Termination

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. Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, from time to time in force. You will not be entitled to compensation if the shareholders do not re-elect you at any time.

Your appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force. The resignation or removal shall be in the same manner as is provided in the Companies Act 2013.

Dealings in shares

Your attention is also drawn to the requirements under the applicable regulations and the Company Insider Trading Code which concern the disclosure of price sensitive information and dealing in the securities of the Company. You would be required to comply with the Company’s Insider Trading Code and the SEBI insider trading laws and regulations as may be applicable to the Company from time to time.

General

All the terms and conditions as mentioned above shall be governed by the Companies Act, 2013, rules made there under and Corporate Governance Requirements under the Listing Regulations, as amended from time to time.

This letter and any other contractual obligation arising out of or in connection with the Letter are governed by and shall be construed in accordance with the laws of India and subject to the exclusive jurisdiction of the Courts of India.

If you are willing to accept these terms relating to your appointment as a Non-Executive Independent Director of Nihilent, kindly confirm your acceptance by signing and returning to us the enclosed copy of this letter.

Yours Sincerely,

Executive Vice Chairman
