

DRAFT LETTER OF APPOINTMENT

Date:

To
Independent Director

Dear Sir,

Subject : Appointment as an Independent Director of Sunshield Chemicals Limited ('the Company')

We are pleased to inform you that the members of the Company in the Annual General Meeting held on _____, have approved, on the recommendation of Board of Directors, your appointment as a Non-Executive Independent Director of the Company to hold the office for 5 (Five) consecutive years for a term upto the conclusion of the __Annual General Meeting of the Company in the calendar year ____. Please note that this is a contract for services and is not a contract of employment. The terms of the appointment are set-out as under

Duration of Appointment:

The appointment is for 5 (Five) consecutive years for a term upto the conclusion of the__Annual General Meeting of the Company in the calendar year _____.

Expectation, Role & Function and Duties

You shall comply with the relevant provisions of the Code for Independent Director as set out in Schedule IV of the Act. The relevant extract for ease of reference is set out below:

- I. An Independent Director 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 to his professional obligations for informed and balanced decision making;
 5. not allow any extraneous considerations that will vitiate his exercise of objective independent judgement in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgement 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. assist the company in implementing the best corporate governance practices.

II. Role and functions :

The Independent Directors shall :

1. help in bringing an independent judgement 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 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 the systems of risk management are robust and defensible;
5. safeguard the interests of all stakeholders, particularly the minority share-holders;
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.

III. 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 of Directors and of the Board committees of which he is a member;
4. participate constructively and actively in the committees of the Board in which they are chairpersons 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 behaviour, 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.

Timing and Location of Board Meetings, and Time Commitment:

The board normally meets within 45 days after end of the quarter and holds additional meetings as the occasion requires. Meetings usually take place at the Company's Registered office.

In addition to routine board meetings, you should allow time for committee meetings, preparatory work and travel, and ensure that you are in a position to make the necessary overall time commitment.

Remuneration:

The board determines the sitting fees payable to all the non-executive directors of the Company, subject to provisions of the Companies Act, 2013 and Rules made thereunder. Presently the Company pay sitting fees of Rs.40,000/- (Rupees Forty Thousand Only), subject to deduction of tax at source, for attending each meeting of Board and committee(s) thereof.

Committee Involvement:

Board committees are formed when it is efficient or necessary to facilitate effective decision making. The board's present standing committees are the Audit Committee, Nomination and Remuneration committees, and Stakeholders Relationship Committee.

This letter refers to your appointment as a director of the Company. The Board of Directors in their meeting held on _____ have confirmed your appointment, on the reconstitution of following committees and you are aware of the terms of reference and responsibilities involved:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee.

Board and Individual Director Evaluation Processes:

The performances of the board, its committees and individual directors are evaluated annually. If, in the meantime, there are any matters which cause you concern about your role you should discuss them with the Chairman of the board as soon as appropriate.

Shareholdings by Directors in the Company:

When buying or selling shares directors are expected to strictly observe the provisions of the Company's Internal Code of Conduct for prevention of Insider Trading framed in line with SEBI (Insider Trading) Regulations 2015 and follow the procedures mentioned thereunder.

Access to Independent Professional Advice:

All directors are entitled to obtain independent professional advice relating to the affairs of the Company or to their responsibilities as directors. If, in your own case, you consider such advice is necessary, you should first discuss it with the Chairman. Subject to the prior approval of the Chairman, the cost of the advice will be reimbursed by the Company, but you should ensure, so far as is practicable, that it is reasonable.

Confidentiality:

All information acquired during your appointment is confidential to the Company and should not be disclosed either during your appointment or following termination (by whatever means) to third parties except as permitted by law and with prior clearance from the Chairman.

We look forward to your association with us.

As a token of acceptance of above appointment please sign the duplicate copy of this letter and return it to the Company at your earliest.

Yours faithfully,
For **Sunshield Chemicals Limited**
Sd/-
Managing Director