

### Terms of Appointment of Independent Director

Date: [●]

To,  
Mr/ Ms./ Mrs. [●]  
Independent Director,  
Sumax Engineering Limited

**Sub.:** Appointment as an Independent Director of Sumax Engineering Limited (the “**Company**”)

On behalf of Sumax Engineering Limited (the “**Company**”) and the Board of Directors (“**Board**”), I take immense pleasure in confirming your appointment as an Independent Director of the Company, as approved by the Board at their meeting held on [●] which is subject to the approval by the Members of the Company in the ensuing Extra Ordinary General Meeting. .

The appointment of an Independent Director ( the “**ID**”) and other terms and conditions are subject to Company policy, Articles of Association of the Company, the relevant and applicable provisions of the Companies Act, 2013 (the “**Act**”) read with Schedule IV of the Act and Rules made thereunder.

This letter of appointment sets out the terms and conditions covering an Independent Director’s appointment, which are as follows:

#### **APPOINTMENT:**

1. You have been appointed as an Independent Director on the Board of the Company with effect from [●]for a period of Five (05) consecutive years, unless otherwise terminated earlier, in terms of the provisions of Section 168 or Section 169 of the Act, as applicable.
2. In compliance with provisions of section 149(13) of the Act, the provisions of Section 152 (6) and (7) in respect of retirement of directors by rotation shall not be applicable to your directorship.
3. Notwithstanding other provisions of this letter, the appointment may be terminated in accordance with the provisions of the Articles of Association of the Company or on failure to meet the parameters of independence as defined in section 149(6) or on the occurrence of any event as defined under section 167 of the Act.
4. Upon termination or Independent Director’s resignation for any reason, which shall be duly intimated to the Company, the ID will not be entitled to any compensation for loss of office. the ID will have to strictly abide by the Code for Independent Directors detailed in Schedule IV of the Act, which is enclosed to this letter as **Annexure A.**
5. As advised by the Board, during the tenure of office, the ID may be required to serve on one or more of the committees of the Board established by the Board of Directors of the Company. Upon the ID’s appointment to any one or more committees, he / she will be provided with the appropriate details and functions of the committee.

6. The Board expects the ID to dedicate sufficient time and attention towards the business affairs of the Company and participate actively / constructively in:

- All meetings of the Board;
- Committee(s) in which you are a member or Chairperson;
- General meeting of the Company; and
- Annual Meeting of the Independent Directors.

7. By accepting this appointment, the ID confirms that they are able to allocate sufficient time to meet the expectations and discharge their duties as an ID to the satisfaction of the Board.

### **ROLE:**

8. In addition to the role specified under Schedule IV of the Act, the IDs are expected to bring an independent judgement to the Board's discussions especially on the issues of strategy, performance, risk management resources, key appointments and standards of conduct.

9. The IDs are further expected to provide an objective view in the evaluation of performance of Board and Management and further scrutinize the performance of management in meeting agreed goals and objectives of the Company.

### **DUTIES:**

10. The ID shall adhere to the below mentioned duties as specified under Section 166 of the Act in addition to the duties mandated under Schedule IV of the Act. The ID:

- i. shall act in accordance with the Company's Articles of Association of the Company, as may be amended from time to time.
- ii. shall act 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, its employees, shareholders, the community and for the protection of environment.
- iii. shall discharge their duties with due and reasonable care, skill and diligence and shall exercise independent judgement.
- iv. shall not involve themselves in a situation in which they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- v. shall not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners or associates and if found guilty of making any undue gain, they shall be liable to pay an amount equal to the gain to the Company.
- vi. shall not assign their office as Director and any assignments so made shall be void.

11. In addition to the above, the ID shall abide by the Code of Conduct devised by the Company for the Board and Senior Management.

### **LIABILITY:**

12. As an Independent Director of the Company the ID shall have the same responsibilities like any other director on the Board. However, the ID shall be held liable, in respect of such acts or omissions or commission of the Company, which had occurred with the knowledge, attributable through Board processes, and with their consent or convenience or where you had not acted diligently.

**FEES/ COMMISSION/ REIMBURSEMENT OF EXPENSES:**

13. Subject to the provisions of the act and Articles of association of the company, the IDs shall be entitled to sitting fees every meeting of the Board as a director and committee as a member as maybe decided by the Board from time to time. The sitting fee payable shall be altered / revised / modified by the Board from time to time as it may deem appropriate, subject to the overall ceiling as prescribed in the Act / rules as applicable at the time of amendment.
14. The Company will, for the period of the IDs appointment, reimburse for travel, hotel and other incidental expenses incurred by them in the performance of their role and duties as an Independent Director of the Company.
15. In addition to the above, the ID shall also be paid remuneration by way of commission, if any as may be approved by the Board and the Members of the Company, subject to the overall limit as prescribed in the Act / Rules as applicable from time to time.
16. The IDs will have no entitlement to participate in any employee stock option scheme operated by the Company. However, if law permits for issuance of such benefits to an independent directors then the same will be considered by the Board for issuance.
17. During one's tenure as an independent director, the Company may seek their professional advice / service if required on certain issues whenever appropriate, at the company's expense, subject to the same being within the prescribed limits under Section 149 of the Act.

**OTHER COMPLIANCES**

18. During the tenure as an Independent Director of the Company, the ID shall comply with all applicable and related provisions of the Act, and any other applicable Law or Regulation in force.
19. The IDs are requested to maintain the limits of directorship / committee membership / and chairmanship as required under Section 165 of the Act read with the applicable rules made thereunder. Further, the ID shall inform the Company about the appointment / cessation of their Directorship / membership in any committee of the Board of any other company/entity in the requisite format.
20. After the first meeting of the Board in every financial year or whenever there is any change in circumstances which may affect their status as an Independent Director, the IDs are required to give a declaration to that effect confirming that they meet the criteria of Independence (as required under section 149(6)/149(7) of the Act).
21. The IDs are requested to furnish disclosure of interest to the Company as required under section 184 and 164(2) of the Act as well as avoid any conflicts, in respect to the same.
22. The IDs shall be required to attend the annual meeting of independent directors without the attendance of non-independent directors and members of the management to:
  - (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; and
  - (c) assess the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

23. During the IDs tenure with the Company in case they get disqualified as provided in Section 164(1) of the Act, they are requested to intimate the Company in the requisite format prescribed under Section 164(2) of the Act read with Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.
24. The IDs are also requested to ensure that during the continuance of their tenure as an Independent Director of the Company, the conditions as prescribed under Section 167 of the Act are not attracted resulting in vacation of their office.

### **FAMILIARISATION PROGRAMME:**

25. The Company is committed to ensuring that its Independent Directors are well-informed and equipped to contribute effectively to the Board's deliberations. To facilitate this:

- ***Familiarization Sessions & Site Visits***

Independent Directors will be invited to attend familiarization sessions, including site visits, as maybe scheduled from time to time as part of Board Meetings or otherwise.

- ***Access to Key Documents***

Board members will be provided with relevant documents, brochures, reports, and internal policies to enable them to gain a deeper understanding of the Company's procedures and practices. These will be shared periodically, either during Board Meetings or otherwise.

- ***Business & Performance Updates***

The Board and its Committees will be regularly apprised of the Company's business performance, strategic initiatives, global business environment, and associated risks.

### **CONFIDENTIALITY:**

26. They IDs acknowledge that all information acquired during their appointment is confidential to the Company and should not be released, communicated, nor disclosed either during their appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman unless required by law.
27. Attention is also drawn to the requirements under the applicable regulations and the Company's Insider Trading Code, which concern the disclosure of price sensitive information and dealing in the securities of the Company. Consequently, the IDs shall avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Chairman or the Company Secretary.
28. Upon termination of the IDs appointment with the Company (for whatever cause), the ID shall deliver to the Company all documents, records, papers or other company property which may be in their possession or under their control, and which relate in any way to the business affairs of the company, you shall not retain any copies thereof.

### **REVIEW PROCESS:**

The Board will evaluate the IDs performance as an independent director, as per the evaluation criteria laid down by the Nomination and Remuneration Committee of the Company. After due review of the IDs performance, it shall be determined whether to extend or continue their term.



## Sumax Engineering Limited

(Formerly known as Sumax Engineering (P) Ltd)  
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Website : www.sumaxindia.com  
CIN : U74210TG1994PLC019032  
GST : 36AAECS5500N1Z7

### **PUBLICATION OF LETTER OF APPOINTMENT:**

1. This letter and any non –contractual obligations arising out of or in connection with this letter are governed by, and shall be construed in accordance with, the laws of India.
2. In terms of Schedule IV of the Act, terms of appointment of an Independent Director will be displayed on the Company's website <https://sumaxindia.com> and the same shall be open for inspection at the registered office of the Company by any Member during nominal business hours.
3. Consent to act as director shall be considered as agreement to the above terms and conditions.

Yours sincerely,

For **SUMAX ENGINEERING LIMITED**

Sd/-  
**Sudeep Mehta**  
**Managing Director**  
**(DIN: 00483072)**