



SUNFLAME ENTERPRISES PRIVATE LIMITED

Regd. Office: Khasra No. 72/ 4/ 7, Mundka Industrial Area (North Side) Village

Ghevra, Mundka New Delhi, West Delhi, Delhi – 110041

CIN: U74899DL1984PTC018992

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Terms and conditions of Appointment of Independent Director

1. Terms of Appointment

You have been appointed as a Director in the Non-Executive Independent Category, for a period of _____ [in word] years with effect from [Date of appointment], unless the tenure is concluded earlier in compliance with the provisions of the applicable laws. As an Independent Director, the office of directorship shall not be liable to retire by rotation.

2. Role, Duties and Responsibilities

Being member of the Board, you along with other Directors will be collectively responsible for meeting the objectives of the Board which include:

- Helping in bringing an independent judgement on the Board's deliberations especially on matters of strategy, performance, risk management, resources, key appointments and standards of conduct.
- You may be asked to serve on the Board Committee(s). The Board may reconstitute the composition of committee(s), from time to time, and such a change shall also be communicated to you. You will be provided with terms of reference of the Board Committee(s) including changes, if any.
- Bring an objective view in the evaluation of the performance of the Board and Management, if evaluation provisions applicable.
- Scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.
- Ensure the integrity of financial information and satisfy that financial controls and the systems of risk management are robust and defensible.
- Determine appropriate levels of remuneration for Executive Director(s), Key Managerial Personnel and senior management, if any. Where necessary may give recommendations for removal thereof in the best interest of the Company.

- Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between Management and Shareholders' interest.
- Undertake appropriate induction and regularly update and refresh skills, knowledge and familiarize with the business of the Company. The Company will fund/arrange for training on all matters which are common to the Board.
- Seek appropriate clarifications or amplification of information and where necessary take and follow appropriate professional advice and the opinion of outside experts at the expense of the Company.
- Strive to attend all meetings of the Board and of the Board Committee(s) of which you are a member and the general meeting(s) of the Company.
- Keep yourself well informed about the Company and the external environment in which it operates.
- Pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure that the transactions are entered into in the interest of the Company.
- Where you have any concerns about the running of the Company or a proposed action, ensure that these are addressed by the Board and in case the same is not resolved, insist that your concerns are recorded in the minutes of the Board Meeting.
- Report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.
- 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.

3. Code of Conduct

You are required to follow the Code of Conduct of V-Guard Industries Ltd. ("Holding Company").

4. List of actions that are prohibited while functioning as a director

While functioning as a Director of the Company, you shall not:

- Compromise or allow to compromise "Independence"
- Misuse the assets, property, information or any other matter that may be in possession, in the capacity as a Director of the Company.
- Engage in any way (both directly or indirectly) with the competitors.
- Unfairly obstruct the functioning of an otherwise proper Board or committee of the Board.

5. Remuneration

As an independent Director, you shall be paid sitting fees for attending the meetings of the Board or Committee thereof, either personally or through video conference or other audio-visual means or for any other purpose whatsoever as may be decided by the Board of Directors. The commission, if any, to be paid to Directors shall be approved by the Board of Directors and/or shareholders from time to time.

The sitting fee or other fee as may be payable shall be subject to applicable tax deduction at source. In addition to the above, you will be entitled to reimbursement of all expenses for participation in the Board and other meeting.

6. Disclosures, Other Directorships and Business Interests

During the term of your appointment, you are requested to notify the Company, of any change in your directorships and such other disclosures and information as may be required under the applicable laws. You are also required to disclose any potential conflict of interest with your position as an Independent Director of the Company, which you may come across during the term of your appointment, to the Chairman.

During the term of your appointment, you are requested to provide a declaration under Section 149(7) of the Companies Act, 2013, at the first meeting of the Board held in every financial year and whenever there is any change in the circumstances which may affect your status as an Independent Director.

Change of personal details and updation

During the term of your appointment, you are requested to intimate the Chairman of the Company and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company and update your KYC details with the Registrar of Companies and provide proof of same to the Company.

7. Information on meetings

The agenda for each meeting along with explanatory notes shall be distributed in advance to the Board members. Every board member is free to suggest the inclusion of items on the agenda.

Normally, the board meets once in a quarter to review the quarterly results and other items on the agenda. The Board also meets during the shareholders' meeting. Additional meetings are held based on need.

8. Conclusion of tenure

Your directorship on the Board of the Company shall conclude on expiry of _____ years from the date of appointment. However, if you incur any disqualification in accordance with applicable laws before conclusion of tenure, your appointment shall be concluded before expiry of term.

You may resign from the directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation. The resignation shall take effect from the date specified by you in the notice. In case of resignation,

you may file a copy of your resignation along with detailed reasons to the Registrar of Companies within thirty days of resignation.

If at any time during the term of appointment, due to any change in circumstances, your status as an independent director as envisaged in Section 149(6) of the Companies Act, 2013 is getting affected or you fail to meet the criteria of 'independence' as per the applicable section/rules/regulations, you have to submit your resignation to the Company with effect from date of such change.

Re-appointment at the end of the term shall be subject to the decision of the Board of Directors and approval of the shareholders of the Company.

9. General

- All the terms mentioned in this letter of appointment shall be governed by the Companies Act, 2013 & Rules made thereunder.
- This letter represents the entire understanding and constitutes the whole agreement in relation to your appointment.
- No waiver or modification of this letter shall be valid unless made in writing and signed by you and the Company.
- As per the provisions of the Companies Act, 2013 and Rules made thereunder, the terms and conditions of appointment of the Independent Director shall be open for inspection at the Registered Office of the Company by any member during normal business hours and shall also be posted on the Company's website.

10. Acceptance of Appointment

We are confident that the Board and the Company will benefit immensely from your rich experience. If these terms of appointment are acceptable to you, please confirm your acceptance by signing and returning the enclosed copy of this letter.

Your Sincerely

For Sunflame Enterprises Private Limited

Chairman

Date:

Place:

I hereby acknowledge receipt of and accept the terms set out in this letter

Name: **[Name of Independent Director]**

Signature:

Date:

Place: