

LETTER OF APPOINTMENT FOR INDEPENDENT DIRECTORS

{Pursuant to the provisions of Sections 149 of the Companies Act, 2013 read with Schedule –IV and the Rules made thereof and as amended from time to time}

Name

Date:

Dear _____ ,

We are pleased to inform you that based on your confirmation that you meet the criteria of “Independence” as provided under Section 149(6) and Schedule IV of the Companies Act, 2013 (‘the Act’) and the Rules made thereunder, and approval of Shareholders of the Company in the Annual General Meeting held on _____ , you are hereby appointed as an “Independent Director” on the Board of the Company. This letter sets out the terms and conditions of your appointment.

1. Appointment

1.1 In accordance with the provisions of the Companies Act, 2013 (the “Act”) and the Rules made thereunder read with Schedule IV to the Act, you are Appointed as a Non-Executive Independent Director on the Board of Directors of Company for a period of five consecutive years with effect from _____. The term Independent Director should be construed as defined under the Act.

1.2 Your appointment is also subject to the following:

- a. You shall not hold Directorships above the limit specified in the provisions of the Companies Act, 2013.
- b. During your tenure as an Independent Director, you will have to submit a declaration at the beginning of every Financial Year under Section 149(1) of the Act and stating that you meet the criteria of Independence.
- c. You shall ensure that you do not get disqualified to act as a Director pursuant to provisions of the Act.
- d. You will ensure compliance with other provisions of the Act and Rules made thereunder including the Code of Independent Directors as stipulated under Schedule IV to the Act.

1.3 The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Act, as may be amended from time to time. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. The Company is at liberty to disengage the Independent Directors earlier subject to compliance of relevant provisions of the Act.

1.4 As an Independent Director you will not be liable to retirement by rotation.

2. Committees

The Board may, if it deems fit, invite you for being appointed on one or more existing Board Committees or any such Committee that it sets up in the future during the tenure of your office. Your appointment on such Committee(s) will be subject to the provisions of the Act.

3. Time Commitment

3.1 As an Independent Director, you are expected to 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 probity and corporate governance. The Board meets at least four times in a year.

3.2 The Company is required to constitute the following Committees of Directors with their terms of reference to be determined:

- a) Audit Committee
- b) Nomination and Remuneration Committee
- c) Stakeholders Relationship Committee
- d) And such other committees as required in future, in compliance with the applicable statutes.

The Board may request you from time to time for being appointed on one or more of the aforesaid Committees or any other Committee as may be constituted from time to time. The mandate of the Committees shall be as decided by the Board from time to time.

3.3 You will be expected to attend Board meetings, Board Committee(s) meeting to which you may be appointed and Shareholders meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively. Ordinarily, all meetings are held at the registered office of the Company or such other place as decided by the Board of Directors.

3.4 The Board aims to have at least one “independent directors only” meeting during each financial year so that they can have a full and frank discussion on the performance of the Company, risks faced by the Company and the performance of executive members of the Board. Independent Directors may invite the Chairman, any executive director or any other senior management personnel to make presentations on relevant issues.

4. Roles, Duties and Responsibilities

Independent directors have the same general legal responsibilities to the Company as that of any other director as provided under the Companies Act, 2013 and the rules made thereunder. The Board, as a whole, is collectively responsible for ensuring the success of the Company by directing and supervising the Company’s affairs. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and the same is specified under Section 166 of the Act.

Apart from that, your conduct shall abide by the Code of Independent Directors as prescribed under the Schedule IV of the Companies Act, 2013, as may be amended from time to time.

5. Status of Appointment and Remuneration

(a) You will not be an employee of the Company and this letter shall not constitute a contract of employment. You will be paid such remuneration by way of sitting fees for meetings of the Board and Committee as may be decided by the Board.

(b) Further, you may also be paid remuneration, if any, by way of commission as may be approved by the Board and the Shareholders from time to time.

(c) The sitting fees of Rs. 25,000 per meeting for attending meetings of the Board, subject to deduction of applicable taxes.

However, the sitting fees shall be subject to changes as may be approved by the Board and/or in accordance with the limits as prescribed under the Act.

6. Reimbursement of Expenses

In addition to the remuneration described in paragraph 5, the Company will, for the period of your appointment, reimburse you for travel, hotel and other incidental expenses incurred by you in connection with your attending the meetings of the Board and/or Committees held outside the city limits of Cochin.

7. Conflict of Interest

7.1 It is accepted and acknowledged that you may have business interests other than those of the Company. You are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment and in the event of your further appointment and relinquishment as Director in other entities.

7.2 In the event, your circumstances seem likely to change which might give rise to a conflict of interest or there are circumstances that might lead the Board to revise its judgement that you are independent, such circumstances shall be disclosed to the Board who shall have the authority to take appropriate decision in this regard.

8. Confidentiality

All information acquired during your appointment is confidential to the Company and should not be released, either during your appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman unless required by law or regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by the Company.

9. Induction and Development

9.1 The Company shall, if required, conduct formal induction program for its Independent Directors.

9.2 The Company shall, as may be required, support Directors to continually update their skills and knowledge and improve their familiarity with the Company and its business. The Company will fund/arrange for training on all matters which are common to the whole Board.

10. Performance Evaluation

10.1. Your re-appointment or extension of term will be based on performance evaluation which shall be done by entire Board of Directors.

10.2. The criteria for evaluation shall be determined by the Nomination & Remuneration Committee.

11. Disclosure of Interest

You are required to disclose your 'concern or interest' in any company or companies or bodes corporate, firms, or other Association of Individuals, which shall include the shareholding in such manner in accordance with the Companies Act, 2013, the Rules made there under.

12. Termination

12.1. 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 on the Board.

12.2. Your appointment for a second term is contingent on your getting re-elected by the shareholders in accordance with provisions of Act 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.

12.3. Your appointment may also be terminated in accordance with the provisions of the Companies Act, 2013.

13. Governing Law

This letter and any non-contractual obligations arising out of or in connection with this letter are governed by and will be interpreted in accordance with Indian laws and your engagement shall be subject to the jurisdiction of the Indian courts.

14. Changes in personal details

During the Term, you shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

15. Miscellaneous:

No waiver or modification of this letter shall be valid unless made in writing and signed by you and the Company.

Kindly confirm your acceptance of these terms by signing and returning us duplicate copy of this letter.

Yours sincerely,

For Holmarc Opto-Mechatronics Limited

Managing Director

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

Signed

Dated