

HSIL LIMITED

Registered Office:2, Red Cross Place, Kolkata – 700 001,

Phone: 91-33-2248 7406/07, Fax: 91-33-2248 7045

E-mail: hsilinvestors@hindware.co.in, Website: www.hindwarehomes.com

CIN: L51433WB1960PLC024539

Date:

To

Mr. -----

Sub.: **Appointment as an Independent Director of HSIL Limited**

Dear Sir,

We are pleased to inform you that the Shareholders in their meeting held on 27th September, 2014 have appointed you as Independent Director of the Company for a term upto five consecutive years commencing from 27th September 2014, as Director not liable to retire by rotation. The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the Listing Agreement. Accordingly, the terms of the Appointment, which shall in any event be subject to the Companies Act, 2013 and the listing agreement, are set out below.

The Company is at liberty to disengage Non Executive Independent Director earlier subject to compliance of relevant provisions of Companies Act, 2013.

1. Tenure of appointment

Subject to the detailed terms of this letter, your appointment will be for a term upto Five (5) years commencing from 27 September 2014 as per the requirement of Section 149 of Companies Act, 2013.

2. Expectations of the Board/Role and functions

As a Non Executive Independent Director, you are expected to devote such time as may be considered prudent and necessary to perform your duties as an independent Director. You are expected to attend the meetings of the Board/ Committees of the Board, to which you may be appointed and of the Shareholders and to devote such time to your duties, as appropriate to discharge your duties effectively. The Board generally meets at least four times in a year and the Audit Committee and Stakeholder Relationship (Shareholders'/ Investors' Grievance) Committee also meets at least four times in a year. Besides, there are other Committee meetings like Nomination & Remuneration Committee, Corporate Social Responsibility Committee (CSR) and Corporate Affairs Committee of Directors which are ordinarily convened as per requirements.

This is a Model Letter of Appointment and is subject to Amendment/ Modification.

You as an independent directors shall:

- (1) help in bringing an independent judgment 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 yourself 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 shareholders;
- (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.

3. Duties

You will devote such time to discharge your duties as an **Independent Director** as specified in Code of Independent Director under Schedule IV as reproduced below:

- (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 you are a member;
- (4) participate constructively and actively in the committees of the Board in you are a member;
- (5) strive to attend the general meetings of the company;
- (6) where you 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 yourself 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;

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- (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.

4. Board-level Committee(s)

You have also been appointed on the following Committees of the Board:

- A. ----- Committee
- B. ----- Committee
- C. ----- Committee
- D. ----- Committee

You are required to perform your duties as members of the aforesaid committee(s) in accordance with the terms of reference and respective charters of the said committees. In the event that you are also asked to serve on one or more of the other Board committees, this will be covered in a separate communication setting out the relevant committee's terms of reference and any specific responsibilities.

(This is subject to Amendment/ Modification)

5. Code of Conduct

During the Appointment you are required to comply with the Company's Code of Conduct, HSIL Share Transaction Code for Prevention of Insider Trading and such other requirements as the Board of Directors may from time to time specify.

6. Induction and Development

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

7. Actions not to be undertaken

During your tenure as Independent Director on the Board of Company you shall not:

- indulge in unethical practices

- accept any extraneous considerations that will vitiate the exercise of objective of independent judgment
- 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;
- indulge in any action that would lead to loss of your independence;

8. Status of Appointment

You will not be an employee of the Company and this letter shall not constitute a contract of employment. You will be paid setting fees as per the provisions of Section 197 (5) of Companies Act, 2013 and rules thereof for meetings of the Board and its Committees as may be decided by the Board from time to time. Further, you will also be paid remuneration by way of commission as may be approved by the Board and the Shareholders from time to time within the limits as provided in Section 197 of the Companies Act, 2013.

9. Reimbursement of Expenses

In addition to the remuneration described in paragraph 7, the Company will, for the period of your appointment, reimburse you for travel, hotel and other incidental expenses incurred by you in the performance of your role and duties.

10. Conflict of Interest

It is accepted and acknowledged that you have disclosed your business interests in writing in the prescribed form other than those of the Company and that there are no conflicts that are apparent at present.

In the event that your circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgement that you are independent, this should be disclosed to both the Chairman and the Secretary.

11. Confidentiality

You must apply the highest standards of confidentiality, and not disclose to any person or company (whether during the course of the Appointment or at any time after its termination), any confidential information concerning the Company which has come to your possession by virtue of your position as Independent Director.

12. Review process

As a member of the Board, your performance shall be evaluated annually. Evaluation shall be done by all the other Directors. The criteria for evaluation shall be determined by the Nomination & Remuneration Committee and disclosed in the Company's Annual Report. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board/Committee.

13. Publication of the letter of appointment

In line with provisions of Code of Independent Director under Schedule IV as specified in Companies Act, 2013, the Company will make public this Letter on its website and will also be open for inspection at the registered office of the Company by any member.

14. Insurance

The Company has Directors' and Officers' liability Insurance policy to pay for the personal liability of the Directors and Officers of the Company towards the claims made against them. It is intended to maintain such insurance cover for the full term of your appointment subject to the terms of such Policy from time to time.

15. Termination

- a. You may resign from your position at any time and should you wish to do so, you are requested to serve a written notice on the Board.
- b. 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) of the Companies Act, 2013 or on occurrence of any event for vacation of office of Director of the Company as provided under Section 167 of the Companies Act, 2013. You will not be entitled to compensation if the shareholders do not re-elect you at any time.

16. General

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 Companies Act, 2013, listing agreement and the other applicable laws of India, and the parties agree to submit to the exclusive jurisdiction of the courts in India.

Please confirm your agreement to the above by signing and returning to us the enclosed duplicate of this Letter.

Yours sincerely,
For **HSIL Limited**

(Chairman and Managing Director)

I have read and agree to the above terms regarding my appointment as an Independent Director of **HSIL Limited**.

Date: **(Director)**