

Date:

Directors Name:  
Address

Dear Sir,

**Subject: Appointment as an Independent and Non-Executive Director of Smartlink Network Systems Limited**

At the outset, we welcome you on Board of Smartlink Network Systems Limited.

The Board of Directors at its meeting held on \_\_\_\_\_ considered your profile for the appointment as an Independent Director. The Board of Directors, pursuant to Section 149 (6) of the Companies Act, 2013 Rules made there under and the Listing agreement, are pleased to appoint you as an Independent Director with effect from \_\_\_\_\_ for a period of \_\_\_ year/s. The appointment is subject to members' approval at the next Annual General Meeting.

The various terms and conditions of your appointment are given below:

**1. The term of appointment:**

You are appointed for a period of \_\_\_\_\_ year/s with effect from \_\_\_\_\_. However, you have been appointed as an Additional Director by the Board on \_\_\_\_\_ to hold the office upto the date of next Annual General Meeting. Therefore, the appointment is subject to members' approval at the next Annual General Meeting.

**2. The expectation of the Board from the appointed Director:**

- a. Time Commitment:- The Company anticipates a commitment of sufficient time attention as necessary in order to perform your duties under the appointment.
- b. Strategy:- The Company expects that you will constructively challenge and contribute to the development of strategy.
- c. Performance:- You shall scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.
- d. Risk:- You should satisfy yourself that the financial information is accurate and that financial controls and systems of risk management are robust and defensible.
- e. Further you should perform the duties as an Independent Director of the Company pursuant to applicable provisions of Section 149 of the Act. "Schedule IV – Code for Independent Director to the Act (attached as Annexure –I for your ready reference).
- f. You shall perform the duties of directors as prescribed in Section 166 of the Act.

**3. Appointment in Board-level committee(s) in which the director is expected to serve and its tasks;**

During the appointment you may be asked to serve on one or more of the Board Committees and you have been provided with the terms of reference for each of those committees.

**4. The fiduciary duties that come with such an appointment along with accompanying liabilities:**

I would also like to draw your attention the fiduciary duties which you are expected to follow on your appointment as Director. The fiduciary duties are prescribed in PARA III of the Code for Independent Director.

- a. You shall not breach any of the terms and conditions pertaining to Independent Directors as mentioned in the Companies Act, 2013 or the listing agreement or any other Act or Regulation.
- b. You shall display utmost clarity in approving financial statement.
- c. You shall disclose interest in any of the contract or arrangements and also disclose the interest on periodical basis as required under law.
- d. You shall strive to attend all meeting including Board, Committee and General Meetings. You shall actively participate in the meetings.
- e. You shall not compromise or allow to compromise “Independence”
- f. You shall not engage in insider Trading activities.
- g. You shall ensure compliance of all the laws of the land.

The above list is only indicative and not exhaustive.

Any breach of fiduciary duties would warrant civil and criminal action or both by the Company, its shareholders, statutory authorities and others. The Companies Act, 2013, envisages huge penalties and imprisonment for such breaches. You are also exposed to Class Action Suit by Shareholders.

**5. Provision for Directors and Officers (D and O) insurance, if any:**

The Company will use its best endeavours to maintain appropriate directors’ and officers’ (D&O) liability insurance (including ensuring that premiums are properly paid) for your benefit

- i. during the Appointment; and
  - ii. after the Appointment, (for the acts done during your term as Director of the Company)
- in each case in respect of any matter occurring or alleged to have occurred while you are or were a director of the Company.

**6. The Code of Business Ethics that the company expects its directors and employees to follow;**

As a Director you should abide by:

- a. Smartlink Code of Conduct for Board of Directors (Prepared pursuant to Clause 49 (I) (D)) of the Listing Agreement (attached as Annexure –II).
- b. Smartlink Code of Conduct for Prevention of Insider Trading (attached as Annexure –III).

The above mentioned Codes are also available on the website of the Company. You shall annually affirm, in writing, the compliance with the code.

**7. The list of actions that a director should not do while functioning as such in the company:**

You shall not

- i. misuse the information in your possession for personal gains.
- ii. engage in any way (both directly or indirectly) with the competitors.
- iii. In any way indulge in activities which may be construed as conflict of interest.
- iv. Break any law of the land or indulge or provoke the co-directors or employees to do the same.
- v. Enter into any contract or arrangements wherein he is directly or indirectly interested.

The above list is only indicative and not exhaustive.

**8. Independence :**

The Board of the Company has determined you to be independent in accordance with your letter provided under Section 149 (6) and (7) of the Companies Act, 2013 read with applicable provisions of the Companies (Appointment and Qualification of Directors), Rules, 2014 and Clause 49 of the Listing Agreement as entered into by the Company with Stock Exchanges

If circumstances change and you believe it affect your Independence to the Company you should discuss this with the Chairman as soon as practicable and inform the Board of Directors immediately.

**9. 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 Executive Chairman unless required by law or by the rules of any stock exchange or regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by the Company.

Your attention is also drawn to the requirements under the applicable regulations and the Company's Code of Conduct which concern the disclosure of price sensitive information and dealing in the securities of the Company. Consequently you should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Executive Chairman.

**10. The remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any:**

**a. Fees**

You will be paid the sitting fees for attending the Board Meetings and the meeting of the committees where you are appointed. Such fees shall be paid as per the provisions of the Articles of Association and as approved by the Board of Directors from time to time.

You shall also be to the profit related commission within the overall limits approved by the Shareholders and as recommended by the Board of Directors from time to time.

**b. Expenses**

In addition to the fees described above, the Company will reimburse you for all reasonable out of pocket expenses incurred in carrying out your duties.

**11. Others**

The Appointment Letter is issued based on the Act, Rules and other Regulations prevalent at the time of appointment. Any changes in above, shall automatically entail changes in the terms and conditions.

The Board or its committee is empowered to change the policy, from time to time. Such change in policy will be informed to you.

The Board or its Committee are empowered to review and change the terms and conditions of this letter. Any changes, thereof, will be informed to you.

Please confirm your agreement to the above by signing and returning the duplicate copy of the Appointment Letter, duly signed.

Thanking you,

Yours sincerely,

For **SMARTLINK NETWORK SYSTEMS LIMITED**

**EXECUTIVE CHAIRMAN**