

APPOINTMENT LETTER

Name of Director

Director

Sub: Appointment as an Independent Director of the Company.

We please to inform you that Shareholder in itsAnnual General Meeting held onhas approved the recommendation of Board of Directors for your appointment as an Independent Director by passing a special resolution in terms of the provisions of the Companies Act, 2013 (“the Act”) read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (referred as “Listing Regulations”). This letter set outs the following terms and conditions of your appointment:

1. Term of Appointment:

- a) You are appointed as a Non-Executive Independent Director on the Board of Directors of the NACL Industries Limited (hereinafter referred to as the “Company”) with effect froma period of 5 years, as per the provisions of the Act and the Listing Obligations.
- b) The term Independent Director should be construed as defined under the Act and the Listing Obligations.
- c) The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Act and Obligations. 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 Non Executive Independent Director earlier subject to compliance of relevant provisions of Act.

2. Committees:

The Board of Directors (“the Board”) may, if it deems fit, invite you for being appointed on one or more existing Board Committees or any such Committee that is set up in the future. Upon your appointment to any one or more of the Committees, you will be provided with the appropriate charter which set out the function of that Committee.

3. Time Commitment:

- a) As a Non-Executive 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 and Audit Committee meet at least four times in a year. Besides, there are other statutory Committee meetings like Nomination and Remuneration Committee ("NRC") which meets occasionally (as per requirement) i.e., atleast once a year, Stakeholders' Relationship Committee which generally meets atleast once a month. Similarly Corporate Social Responsibility Committee and Risk Management Committee which are ordinarily convened atleast once in a year. You will be expected to attend Board, Board Committees 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. Generally, all meetings are held at Hyderabad.
- b) By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.

4. Professional Conduct:

- a) uphold ethical standards of integrity and probity;
- b) act objectively and constructively while exercising the duties;
- c) exercise your responsibilities in a bona fide manner in the interest of the Company;
- d) devote sufficient time and attention to your professional obligations for informed and balanced decision making;
- e) not allow any extraneous consideration that will vitiate your exercise of objective independent judgment in the paramount interest of the Company as a whole while concurring in or dissenting from the collective judgment of the Board in its decision making;
- f) not abuse your position to the detrimental of the Company or its shareholders or for the purpose of gaining direct or indirect personal

- advantage or advantage for any associated person;
- g) refrain from any action that would lead to loss of your independence;
- h) ensure that if circumstances arise under which you may lose your independence, you will immediately inform the Board accordingly;
- i) assist the Company in implementing the best corporate governance practice.

5. Function, Role and Duties:

Your function, role and duties will be those normally required of a Non-Executive Independent Director under the Act and the Listing Obligations. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:

- a) You shall act in accordance with the Company's Articles of Association.
- b) You 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.
- c) You shall discharge your duties with due and reasonable care, skill and diligence.
- d) You shall not involve yourself in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company. Please refer to Clause 8 for full explanation on conflict of interest.
- e) You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
- f) You shall not assign your office as Director and any assignments so made shall be void.

Role and Functions:

You as an Independent Director shall:

- a) 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;
- b) bring an objective view in the evaluation of the performance of board and management;
- c) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;

- d) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- e) safeguard the interests of all stakeholders, particularly the minority shareholders;
- f) balance the conflicting interest of the stakeholders;
- g) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest, wherever required.

Duties:

You as an Independent Director shall:

- a) undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the company;
- b) 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;
- c) strive to attend all meetings of the Board of Directors and of the Board committees of which you are a member;
- d) participate constructively and actively in the committees of the Board in which you are chairpersons or members;
- e) strive to attend the general meetings of the company;
- f) 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 you are not resolved, insist that your concerns are recorded in the minutes of the Board meeting;
- g) keep yourself well informed about the company and the external environment in which it operates;
- h) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- i) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure yourself that the same are in the interest of the company;
- j) 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;
- k) report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
 - l) act within the authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
 - m) 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.

In addition to the above requirements applicable to all Directors, the role of the Non-Executive Director has the following key elements:

- a) Strategy: Non-Executive Directors should constructively challenge and help developing proposals on strategy;
- b) Performance: Non-Executive Directors should scrutinize the performance of management in meeting agreed goals and objectives;
- c) Risk: Non-Executive Directors should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;
- d) Reporting: Non-Executive Directors take responsibility for the processes for accurately reporting on performance and the financial position of the Company; and
- e) Compliance: Non-Executive Directors should keep governance and compliance with the applicable legislation and regulations under review and conformity with the Company's practices to accepted norms.

6. Status of Appointment:

- a) As you are not being an employee of the Company, 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 its Committees as may be decided by the Board (and approved by the Shareholders wherever required), from time to time.
- b) 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.
- c) The sitting fees presently paid to the Non-Executive Independent Director is Rs./- per meeting of the Board and Audit Committee, Nomination

and Remuneration Committee, Independent Director and Rs...../- per meeting of Compensation Committee thereof, (payable in case of having membership of the said Committee only).

7. Reimbursement of Expenses:

In addition to the remuneration described in paragraph 6 the Company will, for the period of your appointment, reimburse you for the travel, hotel and other incidental expenses incurred by you in the performance of your role and duties.

8. Conflict of Interest:

- a) It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to your appointment commencing, 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 whenever there is any change as prescribed in the Act.
- b) 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/or the Secretary.

9. Confidentiality:

- a) All information acquired during your appointment is confidential and should not be revealed, either during your appointment or following termination (by whatever means) to third parties without prior clearance from the 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.
- b) Your attention is also drawn to the requirements under the applicable regulations and the SEBI Insider Trading Regulations, SEBI SAST Regulations and the Company's Share Dealing Code 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 the breach of these requirements without prior clearance from the Chairman.

10. Induction:

Immediately after your appointment, you will be invited to attend an initial induction session and, thereafter, ongoing training and familiarization sessions, including briefings from management and site visits, as and when required. Please avail yourself of these opportunities as fully as is appropriate to your personal circumstances.

11. Evaluation:

The policy on Board Evaluation is being adopted by the Company. The policy provides for evaluation of the Board, the Committees of the Board and individual Directors, including the Chairman of the Board. As per the Policy, the Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis. Your appointment and re appointment on the Board shall subject to the outcome of the yearly evaluation process.

12. Insurance:

The Company has Directors' and Officers' liability insurance and it is intended that the Company will assume and maintain such cover for the full term of your appointment.

13. Independent Professional Advice:

There may be occasions when you consider that you need professional advice in furtherance of your duties as a Director and it will be appropriate for you to consult independent advisers at the Company's expense. The Company will reimburse the full cost of expenditure incurred in accordance with the Company's policy.

14. Disclosure of Interest:

The Company must include in its Annual Accounts a note of any material interest that a Director may have in any transaction or arrangement that the Company has entered into, such interest should be disclosed not later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record your interest appropriately and our records are updated. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.

15. Termination:

- a) You may resign from your position at any time you wish to do so, you are requested to serve a reasonable written notice on the Board.
- b) Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013 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.
- c) Your appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

16. Governing Law:

- a) This agreement is governed by and will be interpreted in accordance with Indian law and your engagement shall be subject to the jurisdiction of the Indian courts.
- b) If you are willing to accept these terms of appointment relating to your appointment as a non executive Independent Director of the Company, kindly confirm your acceptance of these terms by signing and returning to us the enclosed copy of this letter.

Yours sincerely

For and on behalf of NACL Industries Limited

Managing Director

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

Name:

Signed:

Dated: