



Date: 1st October, 2014

To:  
Shri Ramesh Chandra Soni  
29, Chhoti Maheshwari Street,  
Dhanmandi, Udaipur - 313 001,  
Rajasthan, India

Dear Sir,

**SUB: APPOINTMENT AS INDEPENDENT NON-EXECUTIVE DIRECTOR**

I am pleased to confirm that the board of the Company, on the recommendation of its nomination committee, has appointed you as a non-executive independent director. I am writing to set out the terms of the appointment. Please note that this is a contract for services and is not a contract of employment.

**Duration of Appointment**

The appointment is for an initial term of five years commencing on 1st October, 2014, contingent on your re-election at forthcoming annual meetings and on the appointment not otherwise terminating in accordance with the Company's constitution or by law.

Non-executive directors are typically expected to serve two five year terms, although the board may invite you to continue on as a director for an additional period after cooling period of three years.

**Role of the Board**

The board's role is to effectively represent, and promote the interests of, shareholders with a view to adding long-term value to the Company's shares. Having regard to its role, the board directs and supervises the management of the business and affairs of the Company including, in particular:

- ensuring that the Company's goals are clearly established, and that strategies are in place for achieving them;
- establishing policies for strengthening the performance of the Company including ensuring that management is proactively seeking to build the business through innovation, initiative, technology, new products and the development of its business capital;
- monitoring the performance of management;
- appointing the chief executive officer, setting the terms of their employment agreement and, where necessary, terminating their employment.
- deciding on whatever steps are necessary to protect the Company's financial position and the ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken;





- ensuring that the Company's financial statements are true and fair and otherwise conform with law;
- ensuring that the Company adheres to high standards of ethics and corporate behaviour; and
- ensuring that the Company has appropriate risk management/regulatory compliance policies in place.
- In the normal course of events, day to day management of the company is left to management.

All directors are expected to take decisions objectively in the interests of the Company. The board as a whole is collectively responsible for the success of the Company. All directors, whether non-executive or executive, have the same general legal responsibilities.

#### **Timing and Location of Board Meetings, and Time Commitment**

The board normally meets on the second month of every quarter and holds additional meetings as the occasion requires. Meetings usually take place at the Company's registered office in Mumbai. The duration of each meeting typically runs to half a day.

In addition to routine board meetings you should allow time for committee meetings, preparatory work and travel, and ensure that you are in a position to make the necessary overall time commitment.

#### **Committee Involvement**

Board committees are formed when it is efficient or necessary to facilitate effective decision-making. The board's present standing committees are the audit, remuneration and nomination committees.

This letter refers to your appointment as a director of the Company. In the event that you are also asked to serve on one or more board committees this will be addressed by a separate process setting out any supplemental fees payable, and ensuring that you are aware of the committee's terms of reference and the responsibilities involved.

#### **Board and Individual Director Evaluation Processes**

The performances of the board as a whole, its committees and individual directors are evaluated annually. If, in the meantime, there are any matters which cause you concern about your role you should discuss them with the Chairman of the board as soon as appropriate.

#### **Outside Interests Including Directorships**

It is accepted and acknowledged that you may have business interests other than those of the Company. Please contact the Company Secretary as soon as possible to arrange for your interests as a shareholder, director, officer or trustee of other companies or entities to be entered in the Company's interests register. The interests register is tabled at each director's meeting. Please ensure that the Company is kept informed of any changes to your interests so that the interests register can be maintained up to date.







Any director is, while holding office, at liberty to accept other board appointments so long as the appointment is not in conflict with the Company's business and does not materially interfere with their performance as a director of the Company. All other appointments must first be discussed with the Chairman before being accepted.

### **Shareholdings by Directors in the Company**

Directors are encouraged to hold shares in the Company. When buying or selling shares directors are expected to strictly observe the provisions of the Company's constitution, all relevant legislative and regulatory procedures including, in particular, Stock Exchange listing requirements.

### **Induction and Development Processes**

As soon as practicable the Company will provide a comprehensive induction programme aimed at broadening your understanding of the Company, its business, and the environment and markets in which it operates. As part of the programme you will meet key management and receive a folder of essential board and company information.

All directors are expected to remain current on how to best discharge their responsibilities as directors of the Company including keeping abreast of changes and trends in economic, political, social, financial and legal climates and governance practices.

### **Access to Independent Professional Advice**

All directors are entitled to obtain independent professional advice relating to the affairs of the Company or to their responsibilities as directors. If, in your own case, you consider such advice is necessary, you should first discuss it with the Chairman. Subject to the prior approval of the Chairman, the cost of the advice will be reimbursed by the Company but you should ensure, so far as is practicable, that it is reasonable.

### **Confidentiality**

All information acquired during your appointment is confidential to the Company and should not be disclosed either during your appointment or following termination (by whatever means) to third parties except as permitted by law and with prior permission from the Chairman.

We look forward to your association with us.

Yours sincerely,  
For Sat Industries Limited

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