

HARIYANA SHIP-BREAKERS LIMITED
TERMS AND CONDITIONS FOR APPOINTMENT OF INDEPENDENT DIRECTOR

(Date)

To,
(Name of Director)
(Address of Director)

Dear _____,

We are pleased inform you that upon the recommendation of Nomination and Remuneration Committee, approval of the Board of Directors of Hariyana Ship-Breakers Limited (hereinafter referred to as "the Company") and approval of Shareholders of the Company at the Annual General Meeting held on _____, you are being appointed as an Independent Director on the Board of Directors (the "Board") of Hariyana Ship-Breakers Limited.

This letter of appointment sets out terms and conditions covering your appointment consistent with the Companies Act, 2013 and rules framed thereunder (the "Act") and the Listing Regulations, 2015.

The terms of your appointment shall be as follows:

1. APPOINTMENT

Your term of appointment as an n Non-Executive Independent Director on the Board will be effective from _____, for a term of five consecutive years. Your appointment is subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013 and the Listing Regulations, 2015.

The term 'Independent Director' should be construed as defined under the Companies Act, 2013 and the Listing Regulations, 2015. The provisions contained in the Companies Act, 2013 and the Listing Regulations, 2015 will apply as regards performance evaluation of Independent Directors is concerned. The performance of Independent Directors shall be evaluated by the entire Board of Directors, excluding the Director being evaluated. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of your appointment as an Independent Director.

2. COMMITTEE

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. Your appointment on such Committee(s) will be subject to applicable law.

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3. EXPECTATIONS, ROLES, FUNCTIONS AND DUTIES

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 inputs in relation to the Company's strategy, performance and risk management as well as ensuring high standards of financial probity and corporate governance. You are also expected to observe and comply with applicable laws, the charter documents of the Company and the rules, regulations and policies of the Company, in relation to your directorship and the business of the Company.

Your role, functions and duties will be those normally required of an Independent Director under applicable law, including the Act and in conformity with Section 149(8) read with Schedule IV of the Act and Regulation 17 to Regulation 26 of the Listing Regulations, 2015, including in relation to attendance of meetings, maintenance of confidentiality, safeguarding the interests of the stakeholders, bringing objective judgment, asking clarifications, etc.

In addition, your conduct will be governed by applicable law, including the guidelines for professional conduct set out under the Code of Independent Directors, as provided in Section 149(8) read with Schedule IV of the Act, the duties of directors as set out under Section 166 of the Act and the duties and responsibilities as set out under Regulation 17 to Regulation 26 of the Listing Regulations, 2015. The aforementioned guidelines for professional conduct and duties and responsibilities of directors shall be deemed to be incorporated into this letter of appointment and shall form an integral part of this letter.

There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:

- You shall act in accordance with the Company's Articles of Association.
- 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.
- You shall discharge your duties with due and reasonable care, skill and diligence.
- 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.
- You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.

4. REMUNERATION AND REIMBURSEMENT OF EXPENSES

You will be paid such remuneration by way of sitting fees for attending meetings of the Board and its Committees as may be decided by the Board from time to time in compliance with applicable law. Further, you will also be paid remuneration by way of profit related commission. The remuneration shall be subject to applicable taxes and the Company may withhold therefrom any amounts as are required to be withheld pursuant to applicable law. Any tax liability arising in respect of payments made pursuant your remuneration shall be borne solely by you.

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The sitting fees, presently paid to the Non-Executive Independent Director is Rs. _____/- per meeting of the Board or a Committee thereof.

In addition to the remuneration described above 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.

5. CONFLICT OF INTEREST

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.

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.

6. 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 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 Share Dealing Code which concern the disclosure of price sensitive information and dealing in the securities of the Company. You would have to strictly abide by the Code of Conduct for Prevention of Insider Trading of the Company under SEBI (Prohibition of Insider Trading) Regulations, 1992 (as amended or replaced from time to time). Consequently you should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Chairman or the Secretary.

7. 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 advisors at the Company's expense. The Company will reimburse the full cost of expenditure incurred in accordance with the Company's policy.

8. LIABILITY

Subject to applicable law, for any breach of your duties you will be liable to consequence prescribed under applicable law and in relation to the Company, you would be liable for such acts of omission or commission by the Company which had occurred with your knowledge, attributable through Board processes, and with your consent or connivance, or where you

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have not acted diligently.

9. 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.

10. TERMINATION

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 stating out the reason for resignation.

Continuation of your appointment is contingent on your willingness to continue as an independent director, and you getting re-appointed by the shareholders in accordance with applicable law. You will not be entitled to compensation in case the shareholders of the Company do not re-appoint you at any time.

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.

11. MISCELLANEOUS

Your appointment is also subject to the maximum permissible directorships that one can hold under applicable law, including as per the provisions of the Act and the Listing Agreement.

You will not be an employee of the Company and this letter shall not constitute a contract of employment.

You will be provided with a Kit capturing the details of our Board members, Senior Management Team, Organization Chart, Board Committees, Financial performance, Applicable Policies/Codes, Schedule IV of the Act, being the Code for Independent Directors, etc. We trust you will find these useful and informative.

You will be invited to attend session(s) and, thereafter, briefings from management and site visits. Please avail yourself of these opportunities as fully as is appropriate to your personal circumstances.

12. CONTACT PERSON

Mr/Ms. _____, the Company Secretary, (email address: _____) shall remain in regular touch with you to provide all required clarifications/information, as you may require relating to our Company.

13. GOVERNING LAW

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.

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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 **HARIYANA SHIP-BREAKERS LIMITED**

CHAIRMAN/MD/DIRECTOR
DIN: _____

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

ACCEPTED

Signed

Dated