



TALBROS ENGINEERING LIMITED



To
Ms. Priyanka Khattar
House No. 1593, Sector 28,
Faridabad, Haryana

SUB: APPOINTMENT AS AN INDEPENDENT DIRECTOR

We are pleased to confirm you that the Board of Directors has appointed you as an Additional Independent Director in their Meeting held on 07th August, 2014, subject to the confirmation of shareholders of the company in ensuing Annual General Meeting scheduled on Saturday, 13th September 2014. We thank you for your confirmation that you meet the criteria of independence as envisaged in section 149(6) of the Companies Act, 2013 and amended clause 49 of the Listing Agreement and also for your consenting to hold the office of Independent Director of the Company.

The letter sets out the terms of the appointment. Your relationship with the Company will be that of an officer-holder and not one of contract for employment in the Company.

Duration of Appointment

The appointment will be for an initial term of five years commencing on 07.08.2014 and ending on 31.03.2019, 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.

As an Independent Director you will not be liable to retire by rotation.

Committees Involvement

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

1. Audit Committee; and
2. Nomination and Remuneration Committee

Role, duties and responsibilities

As a member of the Board you along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:

- Requirements as prescribed under Companies Act, 2013
- Responsibilities of the Board as outlined in the Corporate Governance requirements as prescribed by Stock Exchanges under clause 49 of the Listing Agreement.
- Accountability under the Directors Responsibility Statement



- You will be abide by the Company's code of conduct applicable to the Independent Directors.
- You will be abide by the guidelines of professional conduct, role, function and duties as an Independent Director provided in schedule IV of the Companies Act, 2013, as set out in **Annexure 1** hereto.
- 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;
- 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.

Performance Evaluation

Your re-appointment or extension of term and your remuneration will be recommended by the Nomination and Remuneration Committee of the Board, pursuant to a performance evaluation carried out by the Board.

Timing and Location of Board Meetings, and Time Commitment

The timings of the Board Meeting along with the location will be intimated to you atleast 7 days before the Board Meeting schedules. The duration of each meeting typically runs to half a day.

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

Remuneration

You will be entitled for sitting fees for each Board Meeting or Committee Meeting thereof attended in person in terms of section 197(5) of the Companies Act, 2013.

The Company will reimburse you for all direct and indirect expenses such as toll calls, accommodation and travelling expenses, reasonably and properly incurred and documented.

Pursuant to the applicable law, you will not be entitled to any stock options.

Training

You will be entitled to the benefit of a training program to familiarize yourself with the business and affairs of the Company, growth plans, the peculiarities of the industry in which the company operates, its goals and expectations and long term plans and objectives.



Disclosures, other directorships and business interest

During the tenure of your appointment, you agree to promptly notify the Company of any change in your directorships disclosures and information as may be required under the applicable laws. You also agree that upon becoming aware of any potential conflict of interest with you position as Independent Director of the Company, You shall promptly disclose the same to the Managing Director and the Company Secretary.

During the tenure of your appointment as an Independent Director, you also agree to promptly provide a declaration under section 149(7) of the Companies Act, 2013, upon any change in circumstances which may affect you status as an Independent Director.

You agree to intimate the Company Secretary and Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided by you to the Company.

Termination

Your directorship on the Board of the company shall terminate or cease in accordance with the law. Apart from the grounds of termination as specified in Companies Act, 2013, your directorship may be terminated for violation of any Company's code of conduct as applicable to the Independent Directors.

You may resign from the directorship of the Company by giving a notice in writing to the company stating the reason for the same. The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by you in the resignation letter.

If at any stage during the tenure of your appointment, there is a change that may affect your status as an Independent Director as specified in section 149(6) of the Companies Act, 2013, or if you fail to meet the criteria of independence under the provisions of amended clause 49 of the Listing Agreement, you agree to promptly submit your resignation to the Company with effect from the date of such change.

Cooperation

In the event of any claim or litigation against the Company, based upon any alleged conduct, act or omission on your part during the tenure of your appointment, you agree to render all your reasonable assistance and cooperation to the Company and provide such information and documents as are necessary and reasonably requested by the Company or its counsel.

Confidentiality

You will have access to confidential information, whether or not the information is market or designated as confidential or proprietary relating to the Company and its business including legal, financial, technical, commercial, marketing and business related records, data, documents, reports, etc., client information, intellectual property rights (including trade secrets). You shall use all reasonable



efforts to keep confidential and to not disclose to any third party, such confidential information.


Acceptance of Appointment

We are confident that the Board and the Company will benefit immensely from your rich experience and we are eager to have you as an integral part of the growth of our Company. If these terms of appointment are acceptable to you, please confirm your acceptance by signing and returning the copy of this letter.

We thank you for your continued support and commitment to the Company.

Yours sincerely

For Talbros Engineering Limited



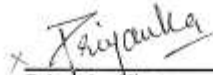
**Tarun Talwar
Managing Director
DIN: 02276634**

**R/o W-80, Greater Kailash - II,
New Delhi - 110 048**



AGREE AND ACCEPT

I have read and understood the terms of my appointment as an Independent Director of the Company and I hereby affirm my acceptance to the same.



**Priyanka Khattar
DIN: 02991593**

Place: Faridabad

Date: 07.08.2014

Annexure 1

Guidelines for professional conduct, Role, Function and Duties as an Independent Director (As provided in schedule IV of the Companies Act, 2013)

I. Guidelines for professional conduct

An independent director shall:

- (1) uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising his / her duties;
- (3) exercise her responsibilities in a *bona fide* manner in the interest of the company.
- (4) devote sufficient time and attention to her professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgement in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgement of the Board in its decision making;
- (6) not abuse his 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;
- (7) refrain from any action that would lead to loss of his independence;
- (8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (9) assist the company in implementing the best corporate governance practices.

II. Role and functions

The independent director shall:

- (1) help in bringing an independent judgement 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 themselves on the integrity of financial information and that financial controls and the system of risk management are robust and defensible;
- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) balancing 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.



III. Duties

The independent director shall-

- (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 he/she is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the company;
- (6) where they have concern about the running of the company or a proposed action, ensure that these are addressed by the Board and, to extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- (7) keep themselves 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 the adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- (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.

