

[Date]

To,
[Name of Director]
[Address of Director]

Dear Sir,

Re: Your Appointment as an Independent Director of Zicom Electronic Security Systems Limited

We are pleased to inform you that at the [•] Annual General Meeting (AGM) held on [Date of Meeting], Members of the Company have approved your appointment as a Non-Executive Independent Director of the Company to hold office upto [Date].

A. Preliminary

Your appointment is subject to the following:

1. During your tenure as a Non-Executive Independent Director, you will have to submit a declaration at the beginning of every Financial Year under Section 149(7) of the Companies Act, 2013 (“Act”) stating that you meet the criteria of Independence.
2. So long as you are a Non-Executive Independent Director of the Company:
 - a. the number of companies in which you hold office as a Director or a Chairman or Committee Member will not exceed the limit stipulated under the Act and the Listing Agreement.
 - b. you will ensure that you do not get disqualified to act as a Director pursuant to the provisions of Section 164 of the Act.
3. You will ensure compliance with other provisions of the Act and Rules framed there under; the Listing Agreement and the Articles of Association of the Company as applicable to you as an Independent Director.

B. Term

Your Appointment is upto [Date]. As a Non-Executive Independent Director you will not be liable to retire by rotation.

C. Committee

During your Term, the Board of Directors may, if it deems fit, invite you for being appointed on one or more existing Board Committees or any such Committee that may be set up in the future. Your appointment on such Committee(s) will be subject to the applicable regulations.

D. Code of Conduct and Duties and Responsibilities

1. You will abide by Zicom Code of Business Conduct and Ethics for Members of the Board of the Company as set out separately in **Annexure-1**.
2. You will abide by the guidelines of professional conduct, role, function and duties as an Independent Directors provided in Schedule IV of the Companies Act, 2013, as set out at **Annexure-2** hereto.
3. You shall act in accordance with the Company's Articles of Association.
4. You will not hold office as a Director or any other office in a competing firm / entity.
5. You are expected to stay updated on how best to discharge your roles, responsibilities, and duties and liabilities, as an Independent Director of the Company under applicable law, including keeping abreast of current changes and trends in economic, political, social, financial, legal and corporate governance practices.
6. You shall not assign your office as Director and any assignments so made shall be void.
7. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
8. You are expected to:
 - a) perform your general fiduciary duties and exercise the skill and care expected of every Director;
 - b) take decisions objectively and solely in the interests of the Company;
 - c) facilitate Company's adherence to high standards of ethics and corporate behavior;
 - d) guide the Board in monitoring the effectiveness of the Company's governance practices and to recommend changes, required if any;
 - e) guide the Board in monitoring and managing potential conflicts of interest of Management, Board Members and Stakeholders, including misuse of corporate assets and abuse in related party transactions;
 - f) guide the Board in ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for financial and operational control, and compliance with the law and relevant standards;
 - g) involve in the process of policy decisions regarding remuneration of Board Members, Key Managerial Personnel and appointment and remuneration to Senior Managers and in succession planning;
 - h) attend regular and emergency Board Meetings, Committee Meetings of which you are a member, Annual General Meetings / Extraordinary General Meetings, etc.;
 - i) not without the prior consent of the Board be a director or hold shares in any company where to do so puts or could reasonably be expected to put you in conflict with the fiduciary duties you owe to the Company.

E. Performance Evaluation

Your reappointment 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.

F. Remuneration

1. You will not be an employee of the Company and this letter shall not constitute a contract of employment. You shall be paid sitting fees for attending each meeting of the Board of Directors and Committee of Directors as may be determined by the Board or duly authorized Committee of Directors from time to time.
2. You will be entitled to reimbursement of travelling expenses, as per Company's policy, incurred by you in connection with attending the Board meetings, Committee of Directors meetings, general meetings and in relation to the business of the Company.
3. Pursuant to applicable law, you will not be entitled to any stock options.

G. Training

You will undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the Company.

H. Conflict of Interest

1. 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.
2. 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 judgment that you are independent, this should be disclosed to both the Chairman and Company Secretary.

I. Insurance

The Company has Directors' and Officers' Liability Insurance policy and pay premiums for the same. It is intended that the Company will assume and maintain such cover for the full Term of your appointment, subject to the terms of such policy in force from time to time.

J. Disclosure of Interest

During the Term, you agree to promptly notify the Company of any change in your directorships, and provide such other disclosures and information as may be required under the applicable laws.

K. Confidential Information

1. You will have access to confidential information, whether or not the information is marked 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), (“Confidential Information”).
2. You shall use reasonable efforts to keep confidential and to not disclose to any third party, such Confidential Information.
3. If any Confidential Information is required to be disclosed by you in response to any summons or in connection with any litigation, or in order to comply with any applicable law, order, regulation or ruling, then any such disclosure should be, to the extent possible, with the prior consent of the Board.

L. Termination

1. 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.
2. 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.
3. 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.
4. In case for any reason, if you become ineligible for continuing as an Independent Director of the Company, your tenure shall end immediately upon intimation of the facts of the same to the Board.

M. Governing Law

This letter is governed by and will be interpreted in accordance with Indian law and your engagement shall be subject to the jurisdiction of Mumbai courts.

N. Miscellaneous

1. As a Non-Executive Independent Director, you should note that you do not have authority to commit the Company in any way, nor should you make any statements on the Company’s behalf or concerning the Company to the media, financial institutions or anyone associated with the stock market or investor community without the express authorisation of the Board.

2. During the Term, you shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.
3. This letter represents the entire understanding, and constitutes the whole agreement, in relation to your appointment.
4. No waiver or modification of this letter shall be valid unless made in writing and signed by you and the Company.
5. As per Clause 49 of the Listing Agreement, if applicable, this letter alongwith your detailed profile shall be disclosed on the website of the Company and the relevant Stock Exchange.

Please confirm your acceptance by signing, dating and returning a copy of this letter to the Company.

Yours faithfully,
For **Zicom Electronic Security Systems Limited**

Manohar Bidaye
Chairman

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

[Name of Director]

Annexure-1

CODE OF BUSINESS CONDUCT AND ETHICS FOR MEMBERS OF THE BOARD OF ZICOM ELECTRONIC SECURITY SYSTEMS LIMITED

Applicability of the Code:

This Directors' Code of Conduct (Code) applies to Directors of Zicom Electronic Security Systems Limited (the Company)

Each Director shall:

- Act with Honesty, Integrity, good faith, due care, competence and fairness in his/her dealings on or behalf of the Company.
- Dedicate sufficient time, energy and attention to the Company to ensure diligent performance of his/her duties, including preparing for meetings and decision-making by reviewing in advance any materials distributed and making reasonable inquiries.
- Act in a manner that ensures, maintains, and enhances the dignity and reputation of Directorship in general and the Company in particular
- Act in the best interests of the Company and fulfill his/her fiduciary obligations.
- Disclose the changes occurring in their directorships to the Company within fifteen days and also notify the other Board members about their material personal interest in the matter, if any.
- Respect and ensure compliance with all applicable laws, rules and regulations for promoting lawful and ethical behaviour of the Company and to report any suspected violations thereof to the Chairman immediately.
- Maintain confidentiality of information relating to the affairs of the Company, acquired in the course of their service as Directors, except when authorized or legally required to disclose such information.
- Disclose his interest in any transaction which the Company is about to enter and be completely transparent in dealings of the Company with parties in which he/she is interested.
- Protect the Company's funds under their control and use only for the purpose for which the same has been handed over to him by the Company.

Each Director shall not:

- Engage in any business, relationship, transaction or activity, which is likely to conflict with duty/responsibility as a Director towards the Company.
- Disclose the confidential information either formally or informally, to the press or any other publicity media, unless specifically authorized or required under law.
- Not to allow personal interest to conflict with the interest of the Company.
- Disclose any Price Sensitive information about the Company and shall abide by the Code of Insider Trading rules issued by the Company from time to time.
- Seek, accept or offer any special consideration, gifts, gratuities, fees or any other payments which could create the appearance of influencing the business decision.
- Use any of the Company's properties/assets or proprietary/confidential information for their personal benefits, unless approved by the Board.
- Allow any prejudice, bias, fear, or favour to cloud the independent judgement of each director and to act in an intellectually honest manner while dealing with all matters put up to BOD.
- Support, directly or indirectly on behalf of the Company, any specific political party or candidate for political office, without prior approval of the Company.

Annexure-2

GUIDELINES OF PROFESSIONAL CONDUCT, ROLE, FUNCTION AND DUTIES AS AN INDEPENDENT DIRECTOR

(As provided in Schedule IV of the Companies Act, 2013)

Guidelines for Professional conduct:

1. To uphold ethical standards of integrity and probity;
2. To act objectively and constructively while exercising your duties;
3. To exercise their responsibilities in a bona fide manner in the interest of the Company;
4. To devote sufficient time and attention towards your professional obligations for informed and balanced decision making;
5. To not allow any extraneous considerations that will vitiate their 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;
6. To not abuse their 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. To refrain from any action that would lead to loss of their independence;
8. To immediately inform the Board, where circumstances arise which make an independent Director lose his independence;
9. To assist the Company in implementing the best corporate governance practices.

Role and functions:

1. Assist 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;
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 yourself on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;
5. Safeguard the interests of all stakeholders, particularly the minority shareholders;
6. Balance 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.

Duties:

1. Undertake appropriate induction and regularly update and refresh your 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 including a Separate meeting of the independent director and of the Board committees of which you are a member;
4. Participate constructively and actively in the committees of the Board in which you are chairperson or member;
5. Strive to attend the general meetings of the Company;
6. 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 they are not resolved, insist that your concerns are recorded in the minutes of the Board meeting;
7. Keep yourself 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 adequate deliberations are held before approving related party transactions and assure yourself 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 behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
12. Acting within your 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.