

To,

Dated: September 30,2014

Sub: Appointment letter-Independent Director

Dear Sir,

We are pleased to inform you that at the 51th Annual General Meeting of the Company held on September 30, 2014, the Members have approved your appointment as an “ Independent Director” of the Company.

On behalf of the Board of Directors of the Company, it is my privilege to welcome you on the Board of Directors of the Company.

As per the requirements of the Companies Act,2013, the above is being formalized through this appointment letter.

I. Term:

The term of your appointment shall be for a period of 5(five) years commencing from September 30, 2014 to September 29, 2019.

We further would like to inform you that you have been nominated at the meetings of the Board of Directors on the dates given below as a member on the following committees of the Board viz.

Sr.No.	Name of the Committee	Date of the Board Meeting
1.	Audit Committee -Chairman	August 7,2014
2.	Nomination and Remuneration Committee - Member	August 7,2014
3.	Stakeholders Committee-Chairman	August 7,2014

The terms of reference of each of the Committee is annexed herewith for your reference and records as Annexure A.

II. Role and function:

To bring 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 including Board best practice, in functioning of the Board and the Committees of the Board;

To moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

III. Duties and responsibilities:

To follow the duties as specified in the applicable laws, the Company policies and the Articles of Associates. Presently, the Companies Act, 2013 (including the Rules thereunder) and the Listing Agreement with the Stock Exchange govern your duties and liabilities;

To follow the "Code for independent Directors" as specified under Schedule IV of the Companies Act, 2013.

To promptly inform the Company about changes, if any, in disclosure of interest and declarations furnished by you to the company.

To follow the Company's Code of Conduct and furnish an annual affirmation.

To apply the highest standards of confidentiality, and not disclose to any person or company, any confidential information the Company and any Group Companies with which you come into contact by virtue of your position as a Director, except as permitted by law or with prior clearance from the Chairman.

To follow the Company's "Insider Trading Policy" and requirements under the Companies Act, 2013 and SEBI Regulations which require that the price sensitive information is not used or transmitted and is maintained securely.

IV. Fees:

(A) As an Independent Director of the Company you will be also entitled to receive sitting fees for the meetings of Committee similar to the fee being paid to other Directors of the Board .

The sitting fees will be subject to deduction of tax at source. The tax deduction certificate for the tax deducted in previous financial year will be provided to you on or before 31st May every year.

In addition to the sitting fees, the company will reimburse return cost of air/car travel from your residence to the place of meeting and accommodation for attending the meeting of the Board of Directors or Committees thereof.

(B) Directors and Officers (D and O) Insurance:

The Company shall take appropriate D & O insurance policy of the Company(if required) which will protect you against claims for wrongful acts in respect of your potential exposure for the personal liability which can arise in the course of performing your duties in your capacity as Independent Director.

V. General:

All the terms as mentioned above including your appointment, remuneration, professional conduct, role, functions and duties shall be governed by the Companies Act,2013 and Rules made thereunder and the Corporate Governance requirements under the Listing Agreement, as amended from time to time.

Kindly acknowledge the receipt and acceptance on duplicate copy of the appointment letter.

Thanking You,

Yours sincerely

For Hindustan Everest Tools Ltd.

(S.K.MANDELIA)

CHAIRMAN & MANAGING DIRECTOR

Annexure A:

Scopes of the Committees under the Companies Act,2013:

Audit Committee: The terms of reference are as follows:-

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Examination of financial statement and the auditor's report thereon;
- Approval of any subsequent modification of transactions of the company with related parties;
- Scrutiny o inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters;
- Reviewing the functioning of the Whistle Blower mechanism;
- Discuss issues with internal and statutory auditors;
- To call for comments of the auditors about internal control systems, scope of audit including the observations of the auditors and review of the financial statements before submission to the Board;
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to;

- a) matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause© of sub-section 3 of section 134 of the Companies Act,2013;
- b) changes, if any, in accounting policies and practices and reasons for the same;
- c) major accounting entries involving estimates based on the exercise of judgment by management;
- d) significant adjustments made in the financial statements arising out of audit findings;
- e) compliance with listing and other legal requirements relating to financial statements'
- f) disclosure of any related party transactions;
- g) qualifications in the draft audit report;

Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

Reviewing, with the management, the statement of uses/application of funds raised through an issue(public issue, rights issue, preferential issue, etc),the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;

Reviewing, with the management, performance of statutory and internal auditors adequacy of the internal control systems;

Reviewing the adequacy of internal audit, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

Discussion with internal auditors any significant findings and follow up thereon;

Reviewing the findings of any internal investigations by the internal auditors into matter where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board'

Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post -audit discussion to ascertain any area of concern;

To look into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors'

Approval of appointment of CFO(i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

Nomination and Remuneration Committee:- The terms of reference are as follows:-

Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;

Carry out evaluation of every director's performance;

Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees;

Devising a policy on Board diversity.

