



TERMS AND CONDITIONS FOR APPOINTMENT OF INDEPENDENT DIRECTORS

The term “Independent Director” defined under Section 2(47) & 149(6) of the Companies Act, 2013, as modified from time to time.

“**Arex Industries Limited**” (“the Company”) shall be free to decide the terms for appointment and functioning of the Independent Director, which shall be subject to and in conformity with the Articles of Association of the Company & prevailing laws including but not limited to the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

1. Appointment:

- a. The appointment shall be as a Non-Executive Independent Director on the Board of Directors of the Company is subject to the provisions of the Companies Act, 2013 (“the Act”) and provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) (as may be amended from time to time).
- b. In terms of provisions of Section 149(13) of the Act the candidate’s directorship is not subject to retirement by rotation.
- c. Continuance of independent directorship is subject to fulfilment of certain parameters of independence as defined in Section 149(6) of the Act and the Listing Regulations.

2. Committees:

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

3. Time Commitment:

- a. As an Independent Director the candidates are expected to bring objectivity and independent view to the Board’s discussions and to help provide the Board with effective leadership in relation to the Company’s strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance.
- b. The Board and Audit Committee meet at least four times in a year.
- c. Besides this, there are other Committee meetings, like Nomination and Remuneration Committee, Stakeholder’s Relationship Committee, Corporate Social Responsibility Committee and such other Committees as may be formed, which are ordinarily convened as and when necessary.
- d. The candidates are expected to devote such time as appropriate to them to discharge their duties and to meet the expectations of the Board / stakeholders / shareholders.

4. Roles, Duties and Responsibilities:

- a. The candidate’s role and duties will be those normally required of a Non-Executive Independent Director under the Act and the Listing Regulations. There are certain duties prescribed for all



Directors, both Executive and Non-Executive which are fiduciary in nature and the same are specified under Section 166 of the Act.

- b. In addition to the above requirements, the candidates are also required to discharge the duties, roles and functions as applicable to Independent Directors as stated under Schedule IV to the Act, as in force and as may be amended from time to time. While performing such duties, roles and functions, the candidate will be required to abide by the 'Guidelines of Professional Conduct' as stated under the said Schedule.

5. Status of Appointment & Remuneration:

- a. The candidate will not be an employee of the Company and the appointment letter shall not constitute a contract of employment. The candidate will be paid such remuneration by way of sitting fees for meetings of the Board and Audit Committee as may be decided by the Board.
- b. Further, the candidate may also be paid remuneration, if any, by way of commission as may be approved by the Board and the Shareholders from time to time.
- c. The sitting fees presently paid to the Non-Executive Independent Director is Rs. 10,000/- per meeting of the Board thereof.
- d. Pursuant to applicable law, the candidate will not be entitled to any stock options.

6. Induction and Development:

- a. The Company shall, if required, conduct formal induction program for its Independent Directors.
- b. The Company shall, as may be required, support Directors to continually update their skills and knowledge and improve their familiarity with the Company and its business. The Company will fund/arrange for training on all matters which are common to the whole Board.

7. Performance Evaluation:

- a. The candidate's re-appointment or extension of term will be based on performance evaluation which shall be done by entire Board of Directors.
- b. The criteria for evaluation shall be determined by the Nomination & Remuneration Committee.

8. Disclosure of Interest:

- a. During the candidate tenure as Independent Director, the candidate has to agree to notify the Company of any change in his/her/their Directorships by submitting appropriate disclosure in the prescribed form.
- b. In the event where circumstances arise which may have effect of losing his/her/their independence or giving rise to a conflict of interest, the same shall be immediately disclosed to the Board or the Company Secretary, as and when the transactions or arrangement comes up at a Board Meeting.

9. Director's & Officer's (D&O) Liability Insurance:



The Company has taken D&O Liability Insurance Policy and it is intended that the Company will assume and maintain such cover for the full term of your appointment.

10. Confidentiality:

All information acquired during the candidate's appointment is confidential to Company and should not be released, either during his/her/their appointment or afterwards unless required by law or by the rules of any stock exchange or regulatory body.

11. Code of Conduct:

During the candidate's tenure as Independent Director you are required to comply with the regulations as contained in Schedule IV under the Act (Code for Independent Directors) and the following Codes of Conduct of the Company:

- a. Code of Conduct for Board Members and Senior Management.
- b. Code of Conduct for Prevention of Insider Trading.

12. Resignation / Termination:

- a. The candidate may resign from the Directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation. The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by the candidate in the notice, whichever is later.
- b. The candidate's Directorship on the Board of the Company shall terminate or cease in accordance with law. Apart from the grounds of termination as specified in the Act, the his/her/their Directorship may be terminated for violation of any provision of the Code of Conduct of the Company.
- c. If, at any stage during the Term, there is a change that may affect his/her/their status as an Independent Director as envisaged in Section 149(6) of the Act, or if applicable, the Candidate fails to meet the criteria for "independence" under the Regulation 16 of the Listing Regulations, the candidate agrees to promptly submit his/her/their resignation to the Company with effect from the date of such change.

13. Governing Law:

The appointment letter and any non-contractual obligations arising out of or in connection with the appointment letter are governed by and will be interpreted in accordance with Indian Laws and his/her/their engagement shall be subject to the jurisdiction of the Indian Courts.

14. Miscellaneous:

- a. No waiver or modification of the appointment letter shall be valid unless made in writing and signed by the candidate and the Company.
- b. Pursuant to applicable laws, the appointment letter along with his/her/their detailed profile shall be disclosed on the website of the Company and the relevant Stock Exchange(s).