



TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

1. Term of appointment:

- 1.1 As per the Articles of Association of the Company, an ID shall hold office for a term up to three consecutive years on the Board of the Company but shall be eligible for re-appointment on passing of a special resolution by the Company. ID shall not hold office for more than two consecutive terms of up to three years each. Accordingly, the term of your appointment as ID is upto (the date as approved by the Shareholders), subject to the condition that you continue to meet the criteria for being an ID. Your appointment is also subject to the maximum permissible Directorships that one can hold as per the provisions of the Act.
- 1.2 This directorship is not subject to retirement by rotation during the term, as per the relevant provisions of the Act.
- 1.3 In case, you wish to resign your directorship in the Company for any reason, it can be done at any time by you giving a letter of resignation. While forwarding your intention to resign, it will be preferable if you give reasonable time so that the Company can plan suitable succession to the Board.
- 1.4 Notwithstanding the above, you may also be required to vacate the office of directorship pursuant to the provisions of the Act or the Articles of Association of the Company.
- 1.5 Your appointment is liable to be terminated, if required, in accordance with the provisions of the Articles of Association of the Company from time to time in force.

2. Role and functions:

- 2.1 As a director of the Company, you will have all legal duties and obligations under the Act, including attendance at Board meetings, general meetings, meetings of IDs and such other additional duties, as may be agreed to, from time to time.
- 2.2 As a director of the Company, you have to familiarize yourself with the relevant directors' duties, roles and responsibilities as set out in the Code for Independent Directors under Schedule IV of the Act, as issued by the Company (Annexure I).
- 2.3 You are expected to provide your expertise, experience and inputs inter alia in the fields of business strategy, planning, management and corporate governance in an unbiased manner in the functioning of the Board and the Committees of the Board you may be nominated. You should allocate requisite time for Board and Committee meetings, preparatory work and travel.



- 2.4 The Board of Directors may, if it deems fit, invite you for being appointed on one or more existing Committees of the Board or any such Committees that is set up in future. Your appointment on such committee will be subject to the applicable regulations.
- 2.5 The Board will constitute, assign and fix terms of service for committee members. The frequency of the committee meetings and the quorum for such meetings will be governed by the applicable provisions of the Act.

3. Duties and Liabilities:

- 3.1 Your duties will be those required of a Non-Executive Independent Director under the Act. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:
 - a) You shall act in accordance with the Company's Articles of Association.
 - b) 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 interests of the Company.
 - c) You shall discharge your duties with due and reasonable care, skill and diligence.
 - d) You shall not involve 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, nor shall you violate any of the provisions of the Act in this regard.
 - e) You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners, or associates.
 - f) You shall not assign your office as Director and any assignments so made shall be void.
- 3.2 As an ID, your liability will be there in respect of 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 had not acted diligently.
- 3.3 Further, you are required to make disclosures/ declarations as per the provisions of the Act.

4. Directors and Officers Liability Insurance Policy:

- 4.1 Arcil has a Directors and Officers Liability Insurance Policy wherein Board members would be covered/indemnified as per the D & O Policy.
- 4.2 The Company will endeavor to maintain appropriate Directors' and Officers' (D&O) liability insurance for your benefit during and after the term (for a period of 7 years post retirement) in respect of any claim made or proceedings initiated against you in connection



with any matter occurring or alleged to have occurred while you were a Director of the Company.

- 4.3 Furthermore, the Company will endeavor to retain any renewed D&O policy to pay for the personal liability of directors and officers for claims made against them while serving on the Board and / or as an officer of the Company.

5. Code of Conduct:

- 5.1 You will follow highest standards of confidentiality. You shall not disclose to any person or company (either during the course of the tenure or at any time after resignation), any confidential information concerning the Company which you acquire by virtue of your position as a Director of the Company, except so far as (i) it may be necessary in connection with the proper performance of your duties to the Company; (ii) the Company may, from time to time, authorize you to disclose such information, as may be required by you with the condition that you will take all reasonable precautions, as may be necessary to maintain the secrecy and confidentiality of all confidential information of the Company; (iii) you may be required by law to disclose.

6. Conflict of interest:

- 6.1 By accepting this appointment, you are deemed to have confirmed that, any other position you hold including your directorships in other organizations, will not give rise to any 'conflicts of interest' in relation to your appointment as an ID of the Company. Should you become aware of any conflict or potential conflict during the period of your appointment, you are expected to notify the same to the Board.

7. Directors' fees / remuneration:

- 7.1 A sitting fee will be paid to you for attending each meeting of the Board as well as the Committee meeting attended by you either personally or through Video Conferencing or other audio video means, as may be decided by the Board from time to time.
- 7.2 You will be entitled to claim reimbursement of all your travelling, hotel and other incidental expenses incurred by you for participation in the Board and other meetings.
- 7.3 You will be entitled to receive profit related commission within the permissible limit under the applicable provisions of the Act, as determined by the Board and approved by the shareholders, from time to time. IDs are not entitled to any 'stock option' and will not be covered by any pension scheme.

8. Performance Evaluation:



- 8.1 Your performance evaluation will be done by the Board of Directors annually, without your participation. You will participate in reviewing the performance of other directors, in accordance with the processes agreed by the Board, from time to time.

9. Technology:

- 9.1 You may attend the Board or Committee meetings through video conferencing or other audio visual means, subject to the applicable provisions of the Act and your attendance will be counted for the quorum required for the said meeting.

10. Applicable laws:

- 10.1 All the terms as mentioned above including your appointment, remuneration, professional conduct, role, duties and liabilities and evaluation shall be governed by the Act and rules made thereunder, as amended from time to time.
- 10.2 This letter and any non-contractual obligations arising out or in connection with this letter shall be governed by, and shall be constructed with the laws of India and subject to the exclusive Jurisdiction of the Courts of India.
- 10.3 In case of any conflict between this letter and the Act and rules and regulations made thereunder or Law, the latter shall prevail.