

## Terms and Conditions for Appointment of Independent Directors

Pursuant to the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and Companies Act, 2013, with regard to the Independent Directors, the Company hereby makes the Terms & Conditions ('T&C') of the appointment of Independent Directors

For easy understanding the same are incorporated in the following sample appointment letter:

Date: \_\_\_\_\_

To,

(Name of Director)

(Address)

Subject: Letter of appointment as Independent Director (Non-Executive).

Dear (Name of Independent Director),

We are pleased to inform you that the shareholders of the Company, through an ordinary resolution passed at \_\_\_\_\_ General Meeting held on \_\_\_\_\_, have approved your appointment as an Independent Director (Non-Executive) of the Company, in accordance with the provisions of 149, 150, 152 read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014.

The key terms and conditions of your appointment are as under:

**a) The term/tenure of appointment:**

Your appointment as an Independent Director is for a term of \_\_\_\_\_ consecutive years, commencing from \_\_\_\_\_ and ending on \_\_\_\_\_. Your directorship shall not be subject to retirement by rotation

**b) The expectation of the Board and the Board-level committee(s):**

### EXPECTATIONS OF THE BOARD

- Time Commitment: You are expected to bring objectivity and independence of view to the Board's discussions and to help in providing 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. The Board meets atleast four times in a year. You will be expected to attend meetings of the Board, the

Board Committees to which you may be appointed, and general meetings of the shareholders. The Committees of the Board meet at such frequency as may be prescribed under applicable laws or as otherwise determined by the Board. You are expected to devote sufficient time to discharge your duties effectively. Ordinarily, all meetings are held at the registered office of the Company.

- Disclosure of Interest: You should give us required disclosure as prescribed under the status. The Company Secretary will co-ordinate with you for getting such disclosures from time to time. Further furnish us the annual declaration that you meet the criteria of Independence as per Companies Act, 2013. Further update promptly, wherever there is change in circumstance which may affect your status of Independence.
- Confidentiality: You must apply the highest standard of confidentiality and not disclose to any person or Company, whether during the course of Appointment or at any time after termination, any confidential information concerning the Company and any group Companies with which you come into contact by virtue of your position.

## COMMITTEES

The Board of Directors may, if it deems fit, invite you to serve on one or more of the Board Committees. Your appointment on such Committee(s) will be subject to applicable rules and regulations of the respective committee.

### c) Fiduciary Duties and Liability:

## DUTIES

As an Independent Director, you shall discharge your duties as laid down under Section 166 of the Companies Act, 2013 and Schedule IV thereof, including:

Uphold high standards of integrity, probity, and ethical conduct in all decisions and actions.

Act objectively and constructively while exercising your responsibilities, and in a manner that promotes the interests of the Company as a whole.

Exercise your responsibilities in good faith and with due care, skill, and diligence, and apply independent judgment in the best interests of the Company, its stakeholders, and the broader community.

Assist the Board in monitoring the performance of management in meeting agreed goals and objectives, and ensure that the Company adheres to the highest standards of corporate governance.

Devote sufficient time and attention to professional obligations for informed and balanced decision-making.

Facilitate the integrity of financial information and ensure robust financial controls and risk management systems are in place.

Seek appropriate clarification and, where necessary, take independent professional advice at the Company's expense, in furtherance of your duties.

Strive to attend all meetings of the Board and its Committees to which you may be appointed, as well as general meetings of the Company.

## LIABILITIES

You shall be liable only 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.

### **d) Provision for Directors and Officers (D and O) insurance:**

The Company will provide a Directors and Officers (D&O) liability insurance policy covering liabilities that may arise in connection with your role as an Independent Director. The Company intends to maintain such insurance cover throughout your tenure, and you will be informed of the key terms and coverage details of the policy once it is in place.

### **e) The Code of Business Ethics:**

As an Independent Director, you are expected to uphold the highest standards of integrity, ethical conduct, and corporate governance. While the Company does not currently have a separate Code of Conduct, you are required to adhere to the Code for Independent Directors as prescribed under Schedule IV to the Companies Act, 2013, and to comply with all applicable provisions of the Act and other relevant laws. This includes acting objectively and constructively while exercising your duties and responsibilities, avoiding conflicts of interest, and promoting confidence among stakeholders in the governance of the Company.

### **f) The list of actions that you should not do while functioning as Independent Director in the company:**

While discharging your duties as an Independent Director, you shall not:

- i. Involve yourself in any situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company;
- ii. Achieve or attempt to achieve any undue gain or advantage to yourself, or to your relatives, partners, or associates.
- iii. Assign your office as Director, and any such assignment shall be treated as void.

You are expected to act in good faith, in the best interests of the Company and its stakeholders, and to refrain from any act or omission that is contrary to law, ethical standards, or the responsibilities of your office.

**g) Remuneration:**

You shall be entitled to the following remuneration:

Sitting fees of Rs. \_\_\_\_\_(Rupees\_\_\_\_\_) for attending meetings of the Board;  
Sitting fees of Rs. \_\_\_\_\_(Rupees\_\_\_\_\_) for attending meetings of the  
Committees of the Board;

We look forward to your valuable contribution and guidance to the growth of the Company.

Kindly confirm your acceptance by signing and returning a copy of this letter.

Yours Sincerely,  
For: Exato Technologies Limited

Managing Director / Company Secretary

**Acknowledgement and Acceptance:**

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

Signature: \_\_\_\_\_  
(Name of Independent Director)  
DIN: \_\_\_\_\_