

AVSL INDUSTRIES LIMITED

TERMS AND CONDITION OF APPOINTMENT OF **INDEPENDENT DIRECTOR**

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INTRODUCTION

The Company has adopted the requirements under the provisions of Companies Act, 2013 including Rules and Regulations made there under, as modified, amended or substituted from time to time and as may be applicable with respect to appointment and tenure of Independent Directors.

An Independent Director shall not be liable to retire by rotation in terms of the provisions of Companies Act, 2013.

An Independent Directors will serve for not more than two terms of five years each on the Board of the Company subject to the maximum tenure of ten years as prescribed under the Companies Act, 2013.

Appointment for the second term as an Independent Director shall be based on the recommendation of the Nominations & Remuneration Committee of the Board and subject to approval of the Board of Directors (the 'Board') and of the Shareholders by way of special resolution. The re-appointment would be considered by the Board based on evaluation of the performance and further subject to satisfying therequisite criteria of Independence as specified in the Companies Act, 2013.

The appointment is also subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013.

The term Independent Director should be construed as defined under the Companies Act, 2013.

ROLE AND DUTIES:

The role and duties of the Independent Directors will be those as prescribed under the Companies Act, 2013 including Rules and Regulations made there under, Guidelines/Circulars issued by SEBI/Exchanges, as modified, amended or substituted from time to time and as may be applicable. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are broadly as under:

1. Director 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 interest of the Company and all its stakeholders.
2. Director shall discharge their duties with due and reasonable care, skill and diligence.
3. Director shall not involve in a situation in which they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.

4. Director shall not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners or associates.
5. Director shall not unfairly obstruct the functioning of the Board or any Committee of the Board;
6. Director shall act within their authority and assist in protecting the legitimate interest of the Company, its shareholders, its employees and all other stakeholders;
7. Director shall abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Companies Act, 2013
8. Director shall not disclose any confidential/privileged information of the Company, unless such Disclosure is expressly approved by the Board or required by law;

APPOINTMENT

1. The Appointment is for a term of 5 Year.
2. During your tenure as an Independent Director, you will have to submit a declaration at the beginning of every Financial Year or whenever there is any change in the circumstances which affects the status as an Independent Director under Section 149 (7) of the Companies Act, 2013("Act"), stating that you meet the criteria of Independence.
3. In compliance with the provisions of Section 149 (13) of the Companies Act, 2013, your directorship is not subject to retirement by rotation.
4. During your tenure as an Independent Director, you may be asked to serve on one or more of the Board committees. Copies of the terms of reference for each of those committees would be provided to you at the appropriate time, if not already provided for.
5. So long as you are an Independent Director of the Company, you will ensure that you do not get disqualified to act as a Director pursuant to the provisions of Section 164 of the Companies Act.
6. The Company expects a commitment of sufficient time and attention as necessary in order to perform your duties under the Appointment. This will include attendance at regular and emergency Board Meetings, any Annual Meeting of Independent Directors and the Annual General Meeting. You may also be required to attend regular Meetings of any Board Committee of which you are a member. In addition, you will be expected to devote appropriate preparation time ahead of each meeting.
7. By accepting the Appointment, you confirm that you are able to allocate sufficient time to perform your role.
8. You will strictly abide by the Code for Independent Directors as specified in Schedule IV of the Companies Act, 2013.

FIDUCIARY DUTIES ALONG WITH ACCOMPANYING LIABILITIES

As a Non-Executive Independent Director, you have the same general legal responsibilities to the Company as any other Director, except that you shall be held liable only in respect of such acts of omission or commission by a company which had occurred with your knowledge, attributable through board processes and with your consent or connivance or where you had not acted diligently.

REMUNERATION AND REIMBURSEMENT OF EXPENSES

You will be entitled to sitting fees in connection with attending the Board meetings, Board Committee meetings, general meetings etc. in relation to the business of the Company. The sitting fees shall not exceed Rs. 1,00,000/- pursuant to Companies Act, 2013.

CASEATION

Your directorship on the Board of the Company shall cease in accordance with the provisions of the Companies Act 2013 and rules made there under, and any other applicable Laws for the time being in force. Your directorship may also be ceased for violation of any provision specified in the Code of Conduct of the Company for the Independent Directors.

You may resign from the directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation and to Registrar of Companies (ROC). The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by you in the notice, whichever is later. If at any stage during the Term, there is a change that may affect your status as an Independent Director as envisaged in Section 149(6) of the 2013 Act, you agree to promptly submit your resignation to the Company with effect from the date of such change.

You will have no entitlement to any bonus during the Appointment and no entitlement to participate in any share scheme and no stock options will be issued to you by the Company.

CONFIDENTIALITY:

You must apply the highest standards of confidentiality and not disclose to any person or company (whether during the course of the Appointment or at any time after its termination) any confidential information concerning the Company and any Group Companies with which you come into contact by virtue of your position as a Non-Executive Independent Director of the Company.

Your attention is drawn to the requirements under both legislation and regulation as to the disclosure of price-sensitive information. Consequently, you should avoid making any statements that might risk a breach of these requirements without prior clearance from the Chairman or Company Secretary.

On cessation of the Appointment, you will deliver to the Company all books, document, papers and other property of or relating to the business of the Company which are in your possession, custody or power by virtue of your position as a Non-Executive Independent Director of the Company.