

MIL INDUSTRIES LIMITED

TERMS OF APPOINTMENT OF INDEPENDENT DIRECTORS

TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS**1. Terms of office:**

- 1.1 Your term as an Independent Director (“ID”) on the Board of directors is subject to the provisions of the Companies Act, 2013 ;
- 1.2 During your tenure, you shall comply with all applicable conditions and requirements with respect to appointment of independent directors including the requirements specified under the Companies (Appointment and Qualifications of Directors) Rules, 2014, and the Companies (Accounts) Rules, 2014 and such other rules as may be issued from time to time.
- 1.3 You are aware of the maximum permissible directorships that one can hold as per the provisions of the Companies Act, 2013 and the rules framed thereunder (“Act”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“Listing Regulations”) and affirm that this appointment will be within those limits;
- 1.4 You can serve for not more than 2 (two) terms of five consecutive years each on the Board;
- 1.5 This directorship is not subject to retirement by rotation during the term, as per the relevant provisions of the Act;
- 1.6 In case, you may have to resign your directorship in the Company for any reason or pursuant to any of the provisions of the Act, Listing Regulations or any of the applicable law or the articles of association of the Company or you may be required to vacate the office of directorship, it can be done at any time by you giving a letter of resignation along with detailed reasons for such resignation and also provide a confirmation that there are no other material reasons other than those provided;
- 1.7 While forwarding your intention to resign or not to seek re-appointment, it will be preferable if you give the chairman of the Board reasonable time, so that the Company can plan suitable succession to the Board;
- 1.8 The evaluation of the IDs shall be done by the Board which shall include: (a) performance of the IDs; and (b) fulfillment of the independence criteria and their independence from the management. You will participate in all evaluations except your own evaluation.
- 1.9 You will not be an employee of the Company and this letter shall not constitute a contract of employment.

2. Commitments:

The commitments that are expected from you as an ID in relation to your functions are as follows:

- 2.1 As an ID, you shall be governed by the Code of Independent Directors as laid down in Schedule IV of the Act.
- 2.2 You will be expected to devote such time as is necessary for the proper performance of your duties and involve in a number of Board and committee meetings each year.
- 2.3 You should strive to attend all the scheduled quarterly meetings of the Board, meetings of the shareholders of the Company, meetings of the committees of the Board and other meetings.
- 2.4 The Company has various Committees of the Board viz., Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee. The Board may appoint you as chairman/ member of one or more of these committees.
- 2.5 The IDs of the Company are required to hold atleast 1 (one) meeting in a year without the presence of non-independent directors and members of management with the sole objective of:
 - (a) reviewing the performance of non-independent directors and the Board as a whole;
 - (b) reviewing the performance of the chairperson of the company, taking into account the views of executive directors and non-executive directors;
 - (c) assessing the quality, quantity and timeliness of flow of information between the Company, management and the Board that is necessary for the Board to effectively and reasonably perform their duties; and
 - (d) You shall strive to attend the aforesaid meeting.
- 2.6 You should disclose to the Board whether directly or indirectly or on behalf of third parties, that you have a material interest in any transaction or matter directly affecting the Company.
- 2.7 By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations of your role.

3. Code of conduct, functions and duties:

As a director of the Company, your roles and duties will be those normally required of an ID under the Act and the Listing Regulations. In this regard, you will have to familiarize yourself with such roles and duties as set out in the Code for Independent

Directors under Schedule IV of Act along with the responsibilities laid down under the Listing Regulations ;

- 3.1 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 and Listing Regulations. Recommendations of the committees are to be submitted to the Board for approval; and
- 3.2 You will be expected to perform your duties, whether statutory, fiduciary or common law diligently to a standard commensurate with both your functions and duties and your skills, experience and knowledge.

4. Liability:

As an ID, you shall be held liable, only in respect of such acts of omission or commission by the Company which had occurred with your knowledge, attributable through processes of the Board, and with your consent or connivance or where you had not acted diligently with respect to the provisions under the Act and/ or Listing Regulations.

5. Conflict of interest:

- 5.1 It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to your appointment commencing, you are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment.
- 5.2 In the event that your circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgement that you are independent, this should be disclosed to both the chairman and the company secretary of the Company.
- 5.3 By accepting this appointment, you confirm 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.
- 5.4 During the term your of appointment, you shall neither enter into any agreement directly/ indirectly, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the shares of the Company; and shall not enter into any such agreement(s) without obtaining the prior approval from the Board as well as public shareholders of the Company, wherever necessary.

6. Disclosures/ declarations:

- 6.1 You will have to submit certain information in the prescribed forms on a defined format periodically to the Board;

- 6.2 You will be required to disclose to the Company your interests and any matters (excluding those matters, which may be subject to legal professional privilege), which affect your independence; and
- 6.3 You shall, at the first meeting of the Board in which you participate as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect your status as an ID, submit a declaration that you meet the criteria of independence as provided under Section 149 of the Act and Regulation 16 of the Listing Regulations and that you are not aware of any circumstances or situation, which exist or may be reasonably anticipated, that could impair or impact your ability to discharge your duties with an objective independent judgement and without any external influence.

7. Directors' fees / remuneration:

- 7.1 A sitting fee will be paid to you for attending each meeting of the Board as well as those of the committees of the Board wherein you are a member / chairperson, as per the provisions of Section 197 of the Act and the articles of association, as fixed by the Board from time to time;
- 7.2 IDs are not entitled to any 'stock option' and will not be covered by any pension scheme; and

8. Codes:

In addition to the Code for Independent Directors, you will be required to abide by Code of Business Conduct and Ethics and code of conduct formulated by the Company in compliance with the requirements under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

9. External advice:

After consultation with the chairman of the Board if that is practicable (and, if appropriate, jointly with any other Non-Executive Directors whose interests are the same as yours), you will be entitled to seek external independent advice at the Company's expense, in order to enable you to carry out the duties of your office, if you find it necessary.

10. Confidentiality and access to records:

- 10.1 All directors have a right of access to Company's documents and records, including financial records, as per the provisions of the Act and the Listing Regulations. On request, you shall surrender any documents and other materials made available to you by the Company;
- 10.2 Attention is also drawn to the requirements under the applicable regulations and the code of conduct formulated by the Company in compliance with the requirements under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 which concern the disclosure of price sensitive information and dealing in the securities of the Company. Consequently, you should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior

clearance from the chairman or the company secretary of the Company; and

- 10.3 Any confidential information, which may come to your knowledge in the performance of your duties as a director of the Company must not be divulged, 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, authorise 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.

11. Applicable laws:

This letter of appointment shall be governed by the laws of India.

Kindly return the duly signed copy of this letter of appointment as a token of your acknowledgement.

I am confident that the Board will benefit significantly from your participation in its deliberations. I am sure that with your guidance and support, the Company will be able to accomplish its goals and objectives.

With regards,

Yours

Sincerely,

Chairman

I have read and agree to the above terms regarding my appointment as an independent director of the Company

Date:
