

## **Terms of the Appointment of Independent Directors of DCX Systems Limited**

### **1. Appointment**

Your term of appointment as Non-Executive Independent Director is for a term of for a term of 5 years, not liable to retire by rotation with effect from 28.01.2022.

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

Your appointment and tenure as Independent Director shall be consistent with the applicable provisions of the Companies Act, 2013.

### **2 Committees**

You may be appointed to any other Committees of the Board if required:

### **3. Role and Duties**

As a member of the board, your role, duties and responsibilities will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013.

In terms of Section 166 of the Companies Act, 2013, you shall

- I. act in accordance with the Articles of Association of the Company.
- II. 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, its employees, the shareholders, the community and for the protection of environment.
- III. exercise your duties with due and reasonable care, skill and diligence.
- IV. not involve yourself 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.
- V. not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
- VI. not assign your office as Director and any assignments so made shall be void.
- VII. Where you have concerns about the running of the company or a proposed action, ensure that they are addressed by the Board and, to the extent that they are not resolved, insist that your concerns are recorded in the minutes of the Board meeting.

- VIII. Pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure yourself that the same are in the interest of the company.
- IX. Refrain from any action that would lead to loss of your independence.
- X. Where circumstances arise which make an independent director lose his independence, you must immediately inform the Board accordingly.
- XI. Assist the company in implementing the best corporate governance practices.

You shall also abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Companies Act, 2013.

#### **4. Remuneration**

##### Fees/Commission:

You may be paid such remuneration by way of sitting fees for meetings of the Board and other Committees as may be decided by the Board.

##### Reimbursement of Expenses:

In addition to the remuneration described, hereinabove, the Company will, for the period of your appointment, reimburse you for travel, hotel and other incidental expenses incurred by you in the performance of your role and duties.

#### **5. Code of Conduct & other compliances**

During the appointment, you will comply with any relevant regulations as may be issued by the Government of India and such other authorized bodies as set up by the Government on its behalf, including the Code for Independent Directors, Code of Conduct and Ethics for Directors and such other requirements as the Board of Directors may from time to time specify.

The Code of Ethics that you are expected to follow:

- a) Help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- b) Bring an objective view in the evaluation of the performance of board and management.
- c) Scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.

- d) Satisfy yourself on the integrity of financial information and those financial controls and the systems of risk management are robust and defensible.
- e) Safeguard the interests of all stakeholders, particularly the minority shareholders
- f) Balance the conflicting interest of the stakeholders.
- g) Determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management.
- h) Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.
- i) The independent director of the company shall hold at least one meeting in a year, without the attendance of non – independent directors and members of management. All the independent directors of the company shall strive to be present at such meeting. The meeting shall:
  - I. review the performance of non-independent directors and the Board as a whole.
  - II. review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors.
  - III. assess 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.
- j. 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 independent director, you shall give a declaration to that effect confirming that you meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

## **6. Conflict of Interest**

It is accepted and acknowledged that you may have business interests other than those of the Company.

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 judgment that you are independent, this should be disclosed to both the Chairman and the Secretary.

## **7. Confidentiality**

All information acquired during your appointment is confidential to the Company and should not be released, either during your appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman unless required by law. On reasonable request, you shall surrender any documents and other materials made available to you by the Company.

Your attention is also drawn to the requirements under the applicable regulations. 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 Secretary

## **8. Evaluation**

The Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors. Your appointment and re appointment on the Board shall be subject to the outcome of the evaluation process.

## **9. Disclosure of Interest**

You shall disclose material interest that in any transaction or arrangement that the Company has entered into. Such interest should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record your interest appropriately and our records are updated. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.

## **10. Termination**

- a. You may resign from your position at any time.
- b. Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013 if the shareholders do not re-elect you at any time.
- c. Your appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

## **11. Governing Law**

This letter of appointment is governed by and will be interpreted in accordance with Indian law and your engagement shall be subject to the jurisdiction of the Indian courts.

This letter constitutes neither a contract for services nor a service contract