

## TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTOR

The terms and conditions of the appointment of Independent Directors shall be in accordance with the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations') and the Articles of Association of the Company. However, the brief of them is reproduced hereunder:

### 1. Appointment

The appointment of an Independent Director will be subject to the compliance of the Companies Act, 2013 and rule made thereunder, provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Articles of Association of the Company and any other circular and/or guidelines issued by the Ministry of Corporate Affairs, SEBI from time to time in this regard.

The Independent Director shall hold office up to a period of such years as may be approved by the Board/Shareholders, as applicable, or such other period as may be prescribed by Act and SEBI Listing Regulations, whichever is earlier. As Independent Directors, they will not be liable to retire by rotation. Reappointment of Independent Directors at the end of the Term (as may be applicable) shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the Shareholders. Reappointment would be considered based on the outcome of the performance evaluation process and independence criteria. As per the Tata Group Guidelines, retirement age for Independent Directors is 75 years and the IDs can be appointed for 2 terms, whichever is earlier.

They may be requested to be a member / Chairman of any one or more Committees of the Board which may be constituted from time to time.

### 2. Role, duties, and responsibilities

A. As members of the Board, they along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:

- Requirements under the Act.
- Responsibilities of the Board as outlined in the Act and the Listing Regulations.
- Accountability under the Director's Responsibility Statement.
- Additional responsibilities of the Board which includes:
  - Oversee maintenance of high standards of Tata values and ethical conduct of business.
  - Protect and enhance the company and Tata brand, where companies are using the same.

B. They shall abide by the 'Code for Independent Directors' and duties of Directors as outlined in the Act and Listing Regulations.

C. They are particularly requested to provide guidance in their respective area of expertise.

### 3. Time Commitment

Considering the nature of the role of a Director, it is difficult for a Company to lay down specific parameters on time commitment. They agree to devote such time as is prudent and necessary for the performance of their role, duties, and responsibilities as an Independent Director.

#### Registered Office:

14<sup>th</sup> Floor, Cignus, Plot No. 71A,  
Kailash Nagar, Mayur Nagar Passpoli,  
Powai, Mumbai - 400087, Maharashtra, India.  
Tel: +91 22 66255600

**Artson Limited, A TATA Enterprise**  
(formerly Artson Engineering Limited)  
CIN: L27290MH1978PLC020644  
E-mail: [artson@artson.net](mailto:artson@artson.net)  
Website: [www.artson.net](http://www.artson.net)

#### Corporate Office:

Ground Floor, Mithona Towers-1,  
1-7-80 to 87, Prenderghast Road,  
Secunderabad - 500003, Telangana, India.  
Tel: +91 40 66018175

#### 4. Remuneration

As an Independent Director sitting fees will be paid for attending the meetings of the Board and the Committees of which they are a member. The sitting fees for attending each meeting of the Board and its Committees would be as determined by the Board from time to time.

Further, the Company may pay or reimburse such expenditure, as may have been incurred by them while performing their role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by them for accommodation, travel and any out-of-pocket expenses for attending Board/ Committee meetings, General Meetings, court convened meetings, meetings with shareholders/ creditors/ Management, site visits, induction and training, if any organized by the Company for Directors, subject to the expense being reasonable.

#### 5. Insurance

The Company will take an appropriate Directors' and Officers' Liability Insurance policy and pay the premiums for the same. It is intended to maintain such insurance cover for the term of their appointment, subject to the terms of such policy in force from time to time. A copy of the policy document will be supplied on request.

#### 6. Tata Code of Conduct

As an Independent Director of the Company, they agree to comply with the Tata Code of Conduct applicable to all Directors and Senior Management personnel. For their reference, the Code of Conduct as adopted by the Board is provided to them.

Unless specifically authorized by the Company, they shall not disclose Company and business information to constituencies such as the media, the financial community, employees, shareholders, agents, franchisees, dealers, distributors, and importers. Their obligation of confidentiality shall survive cessation of their Directorship with the Company.

Attention of Independent Directors is being drawn to the applicability of both, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Tata Code of Conduct on Prevention of Insider Trading, prohibiting disclosure or use of unpublished price sensitive information.

Additionally, they shall not participate in any business activity which might impede the application of their independent judgment in the best interest of the Company.

All Directors are required to sign a confirmation of acceptance of the Tata Code of Conduct as adopted by the Board on annual basis.

#### 7. Performance Appraisal / Evaluation Process

As a member of the Board, their performance as well as the performance of the entire Board and its Committees will be evaluated annually. The evaluation of each Director shall be done by all the other Directors. The criteria for evaluation shall be disclosed in the Company's Annual Report. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committee.

#### 8. Separate Meeting of Independent Directors

They shall participate in atleast 1 meeting with the other Independent Directors without the attendance of non-independent Directors and members of the Management. This meeting should be held to review the performance of the Chairperson, non-independent Directors, and the Board as a whole and assess the quality, quantity, and timeliness of flow of information between the Management and the Board.

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## 9. Disclosures, other Directorships, and business interests

During the term, they agree to promptly notify the Company of any change in their Directorships and provide such other disclosures and information as may be required under the applicable laws. They also agree that upon becoming aware of any potential conflict of interest with their position as Independent Director of the Company, they shall promptly disclose the same to the Chairman and the Company Secretary. By signing this letter, they confirm that as on date, they have no such conflict-of-interest issues with their existing Directorships.

During their Term, they agree to promptly provide a declaration under Companies Act, 2013 and rule made thereunder, provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 confirming that they meet the criteria of independence as provided and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. This declaration shall be submitted at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect their status as an Independent Director.

## 10. Changes of personal details

During the Term, they shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

## 11. Disengagement

They may resign from the Directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation. The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by them in the notice, whichever is later.

Their Directorship on the Board of the Company shall cease in accordance with law. The Company may disengage Independent Directors prior to completion of Term (subject to compliance of relevant provisions of the Act) or upon

- Violation of any provision of the Tata Code of Conduct as applicable,
- Upon the Director failing to meet the criteria of independence as envisaged in the Act or the Listing Regulations.

## 12. Miscellaneous

The terms and conditions of their appointment shall be disclosed on the website of the Company.

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