

## Terms and Conditions of Appointment of Independent Directors

**[Pursuant to the provisions of Schedule IV to the Companies Act, 2013 (“the Act”) and Clause 49 of the Listing Agreement]**

The terms and conditions of appointment of Independent Directors of M/s. Commex Technology Limited (“the Company”) are subject to the applicable provisions of the Act and Clause 49 of the Listing Agreement, as amended from time to time, the Articles of Association of the Company, Model Code of Conduct for Board of Directors and its Code of Conduct for Prevention of Insider Trading. The following are the details of Independent Directors of the Company.

Sr. No.	Name of Independent Director	Director Identification Number
1	Jayant Dolatrai Mitra	00801211
2	Yeshwant Jaywant Divekar	01574821

The appointment process of Independent Directors is independent of the company management. During the selection process, the Board ensures that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.

The appointment of Independent Director(s) of the Company is approved at the meeting of the shareholders. The Board always ensures that the Independent Director proposed to be appointed fulfils the conditions specified in the Act and the Rules made thereunder and that the proposed director is independent of the management and a statement to that effect is included in the explanatory statement attached to the notice of the meeting.

The terms and conditions for the appointment of the Independent Director are enumerated below:

### **APPOINTMENT**

- The Company has adopted the requirements under the provisions of Companies Act, 2013 including Rules and Regulations made there under and the Listing Agreement, 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.
- 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 ordinary resolution. The re-appointment would be considered by the Board based on evaluation of the performance and further subject to satisfying the requisite criteria of Independence as specified in the Companies Act, 2013 and the Listing Agreement. The appointment is also subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013 and the Listing Agreement.
- The term Independent Director should be construed as defined under the Companies Act, 2013 and the Listing Agreement.
- During the term of the appointment, the Independent Director may be asked to serve on one or more of the Board Committees including Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee or such committee of the Board of the Directors from time to time and copies of the terms of Reference for each of those committees will be provided to him.
- If circumstances change, and the Independent Director believes that his independence may be in doubt, he should discuss this with the Chairman of the Company as soon as possible.

#### **TIME COMMITMENT**

By accepting the appointment, the Independent Director confirms that he is able to allocate sufficient time to perform his role as an Independent Director of the Company.

In terms of the Companies Act, 2013, he will have to attend at least one Board Meeting during every Financial Year in-person. Also, he will strive to attend the Board / its committees' calls whenever scheduled as per the best convenience of all the attendees.

#### **ROLE, DUTIES AND RESPONSIBILITIES**

- a) The duties and liabilities that come with the appointment as Independent Director would be as per the applicable laws, the Articles of Association of the Company and the Company's Code of Conduct.
- b) As members of the Board, the Independent Directors alongwith the other Directors will collectively be responsible for meeting the objectives of the Board which include:
  - Requirements under the Act and the Rules thereunder;

- Responsibilities of the Board as outlined in Clause 49 of the Listing Agreement;
  - Accountability under the Directors' Responsibility Statement;
  - Overseeing the maintenance of high standards of the Company's values and ethical conduct of business;
  - Overseeing the Company's contribution towards sustainability and CSR (if any);
  - Protecting and enhancing the Company;
  - Advise and counsel the management in the respective area of expertise;
  - Safeguarding the interest of all stakeholders.
- c) The Independent Directors will be expected to perform their fiduciary duties and exercise the skill and care expected of every Director. They shall also abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Act.
- d) In addition to the above responsibilities, the role of the Independent Directors shall also have the following key elements:
- **Strategy and Business Development:** The Independent Director should constructively challenge and contribute to the overall strategy and to the business development initiatives of the Company by getting actively engaged with the Company in making introductions to potential clients in the key service areas of the Company;
  - **Performance:** The Independent Director should scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance; and
  - **Risk:** The Independent Director should satisfy himself that financial information is accurate and that financial controls and systems of risk management are robust and defensible.

#### **OTHER OBLIGATIONS AND COMPLIANCES**

The Independent Director will be required to execute / confirm with respect to the following documentation on a periodic basis:

- Confirmation that he is not disqualified to act as a Director of the Company in terms of the Companies Act, 2013
- Declaration of Independence in terms of the Companies Act, 2013

- Disclosures under the Company Code for Prevention of Insider Trading
- Code of Conduct for Directors of the Company
- Disclosure of change in interest in companies where he is appointed / ceased as a Director or Key Managerial Personnel
- Confirmation that his directorships in companies do not conflict with the interest of the Company.

## **REMUNERATION**

The Independent Directors will be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board from time to time in accordance with the limits prescribed under the Companies Act, 2013 and rules made thereunder. Further, the Independent Directors will not be granted any options under the various Employee Stock Options Schemes of the Bank. Any tax liability arising in respect of payments made pursuant to remuneration to ID shall be borne solely by him/her.

The sitting fees payable to the Independent Directors for attending the meetings of the Board or any Committee thereof shall be as approved by the Board of Directors of the Company from time to time within the permissible limits as prescribed under the Companies Act, 2013 and rules made thereunder.

## **REIMBURSEMENT OF EXPENSES:**

In addition to the remuneration described above, the Company shall reimburse actual cost incurred for travel, hotel and other incidental expenses incurred by the directors for participation in the meeting of the Board and Committees thereof in the performance of their role and duties.

## **OTHER DIRECTORSHIPS AND BUSINESS INTERESTS**

- The Company acknowledges that Independent Director may have business interests in other companies. In the event that he becomes aware of any potential conflicts of interests, these should be disclosed to the Chairman and Company Secretary as soon as they become apparent.
- During the appointment, he should consult with the Chairman prior to accepting any such other (or further) directorships of Indian companies or any major external appointments which may affect his interest in the Company.

## **CODE OF CONDUCT**

During the period of the appointment, the Independent Director will be bound by the Company Code of Directors and such other codes of conduct under applicable laws including the Act and the Securities and Exchange Board of India Act, 1992.

## **INSURANCE:**

The Company has taken appropriate Directors' and Officers' Liability Insurance Policy and has paid premium for the same. The Company shall continue to maintain such insurance cover during the term of the Independent Directors appointment.

## **TRAINING AND DEVELOPMENT:**

The Company would provide necessary support to Independent Directors in updating their skills and knowledge with respect to the IT industry and to improve their familiarity with the Company and its business. The Company may, if required, will conduct formal training program for its Independent Directors.

## **TERMINATION**

- i. Independent Director may resign from his position at any time by serving a reasonable written notice on the Board stating out the reason for resignation. Further, appointment of Independent Director may be terminated in accordance with applicable law.
- ii. Continuation of appointment of Independent Director is contingent on his/her willingness to continue as an Independent Director, and getting re-appointed by the shareholders in accordance with applicable law. Independent Director will not be entitled to compensation in case the shareholders of the Company do not re-appoint him/her at any time.

## **CONFIDENTIALITY AND NON-DISCLOSURE**

- i. The Independent Director 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 (including wholly owned subsidiaries) with which he comes into contact by virtue of his position as an Independent Director of the Company.

- ii. Any information concerning the Company's business, its customers, suppliers, etc. which is not in public domain and to which all employees do not have access, should be considered confidential for the purpose and should be held in confidence, unless authorised to do so and when disclosure is required as a requirement of law.
- iii. Independent Director is subject to and bound by the prohibition and restrictions against insider trading and disclosure of unpublished price sensitive information, as prescribed under the Act and the regulations issued by the Securities and Exchange Board of India ("SEBI"). Independent Director would have to strictly abide by the Code of Conduct for Prevention of Insider Trading of the Company under SEBI (Prohibition of Insider Trading) Regulations, 1992 (as amended or replaced from time to time).
- iv. On termination of the Appointment, the Independent Director will deliver to the Company all books, documents, papers, and other property of or relating to business of the company or any Group Company which are in their possession, custody or power by virtue of their position as an Independent Director of the Company. The Company will arrange the disposal of papers that he no longer requires.
- v. If there is a breach or threatened breach of the provisions of Confidentiality, the Company shall be entitled to injunctive relief.

## **LIABILITY**

An Independent Director will be liable only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board process, and with his consent or connivance or where he had not acted diligently.

## **REVIEW PROCESS**

The performance of individual Directors and the whole Board and its committees is evaluated annually. The Independent Director will have to make himself available for carrying out the annual / periodic performance review of himself and the Board committees where he is a part thereof for review purpose. Independent Director has to further confirm that he will extend his contribution to review of the Board of Directors individually as well as for its various committees on behalf of / as desired by the Board of Directors on an annual / periodic time frame.

If, in the interim, there are any matters which cause an Independent Director concern about his role, he can discuss them with the Chairman as soon as it is appropriate.