

EPACK PREFAB TECHNOLOGIES LIMITED

*(Formerly known as Epack Prefab Technologies Private
Limited and Epack Polymers Private Limited)*

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CIN No: U74999UP1999PLC116066

TERMS AND CONDITIONS OF THE APPOINTMENT OF INDEPENDENT DIRECTORS

1. Appointment

These terms and conditions of appointment of Independent Director has been formulated in respect of Independent Directors of EPACK Prefab Technologies Limited (the “**Company**”). In accordance with the provisions of the Companies Act, 2013 (“**Act**”) and other applicable laws as may become applicable on the Company from time to time including but not limited to the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (“**SEBI Listing Regulations**”) you will serve as an Independent Director of the Board of the Directors of the Company (“**Board**”) for a term of as may be determined by the resolution passed by the Board and shareholders thereon and as detailed in the appointment letter (the “**Term**”).

As an Independent Director you will not be liable to retire by rotation and your appointment is subject to the approval of shareholders at a general meeting of the Company as per the term approved therein. In terms of the Act, you may be eligible to serve as an Independent Director for another term of up to 5 years, subject to the recommendation of the Board of Directors of the Company or Nomination and Remuneration Committee, as and when constituted by the Board of Directors of the Company, as the case may be and passing of a requisite resolution by the shareholders of the Company. The terms and conditions of your appointment, as set out herein, are subject to the extant provisions of the (i) applicable laws, including the Act and the **SEBI Listing Regulations** (as may become applicable on the Company) and (ii) Articles of Association of the Company (“**AOA**”).

2. Role, responsibilities and expectations of the Board of Directors

- a) As an Independent Director you may be requested to perform such duties at such times as may be reasonably requested and comply with such reasonable directions as may be given by the Board from time to time; this will include service on such Board Committees to which you are appointed by the Board. Your time commitment to the Board will include (but not be limited to) devoting appropriate time in advance to prepare for and attending Board Meetings, Board Committee meetings and General Meetings of the Company’s shareholders. The terms of reference for each of the Board Committees will be made available to you by the Company Secretary.
- b) As an Independent Director of the Company, you will owe certain duties to the Company and to the investors, and your ability to deal in the Company’s shares will be restricted once the Company is listed.
- c) Board expects you to perform your duties, whether statutory or fiduciary, faithfully, efficiently and diligently to a standard consummate with both the functions of your role as an Independent Director and knowledge, skills and experience.

- d) You will exercise your powers in your role as an Independent Director having regard to the relevant obligations under prevailing law including the Act and SEBI Listing Regulations as amended from time to time.
- e) By your acceptance of this appointment as an Independent Director, you confirm that you are able to devote sufficient time to meet the expectations of your role.
- f) During your appointment (except in the proper performance of your duties as an Independent Director) or at any time after completion of your tenure to not make use of or divulge to any person, any confidential information relating to the Company, any Related Party or any stakeholder of the Company without the prior written consent of the Board; and
- g) During your appointment, make all reasonable endeavors to prevent the publication or disclosure of any confidential information relating to the Company, any Related Party or any stakeholder of the Company.
- h) You shall also abide by the Company's Code of Conduct applicable for the Board of Directors and Senior Management Personnel and the 'Code for Independent Directors' as outlined in Schedule IV to the Act, as amended from time to time, and duties of directors as provided in the said Act and in the SEBI Listing Regulations. For your ready reference, the relevant provisions of Schedule IV to the Act, have been extracted and attached herewith as **Annexure A**.

3. Professional Conduct for Independent Directors

As an Independent Director, you shall:

- a) uphold ethical standards of integrity and probity;
- b) act objectively and constructively while exercising your duties;
- c) exercise your responsibilities in a bona fide manner in the interest of the Company;
- d) devote sufficient time and attention to your professional obligations for informed and balanced decision-making;
- e) not allow any extraneous considerations that may vitiate your exercise of objective independent judgement in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgement of the Board in its decision-making;
- f) not abuse your position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- g) refrain from any action that could lead to a loss of your independence;
- h) ensure that if circumstances arise under which you may lose your independence, you will immediately inform the Board accordingly;

- i) assist the Company in implementing the best corporate governance practices.

4. Liabilities

- a) Though the Board as a whole is collectively responsible for promoting the success of the Company by directing and supervising its affairs in a responsible and effective manner, in your capacity as an Independent Director you will be held liable 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 have not acted diligently.
- b) Any breach of duties specified or expected of you as an Independent Director may expose you to penal consequences as specified under the Act, or any applicable law in force.

5. Fees and Expenses

- a) In consideration of your services as an Independent Director, your remuneration will comprise of a sitting fee for Board/ Committee Meetings as approved by the Board and commission as may be determined by the Board subject to consent of the shareholders of the Company from time to time.
- b) The sitting fees for attending the Meetings of the Board and Committees shall be as determined by the Board of the Company.
- c) The Sitting Fees may be reviewed from time to time by the Board.
- d) During your appointment, the Company will reimburse you reasonable expenses incurred by you in connection with your appointment, subject to the production of the relevant invoices or receipts.
- e) You are not entitled for any compensation for loss of office as an Independent Director, or as consideration for retirement/ resignation from such office or in connection thereto.
- f) The remuneration/ fees payable will be subject to tax and statutory deductions or levies.

6. Familiarization Programmes

The Company shall conduct familiarization programmes as required under the applicable provisions of law for making the Independent Directors acquainted with the Company's operations.

7. Insurance

The Company shall take an appropriate Directors' and Officers' Liability Insurance policy. It is intended to maintain such insurance cover for the Term of your appointment and shall be maintained for all the actions taken by you while discharging your role as

independent director even after expiry of your term. A copy of the policy document will be supplied on request.

8. Conflicts of Interest and Independence

- a)** By your acceptance of this appointment, you confirm that, apart from those interests disclosed in writing to the Board, you have no existing causes of likely conflict of interest with the business of the Company. In particular, you confirm that you do not serve as a director of any company in any jurisdiction which carries out any activities which compete with any business carried on by the Company. You are required to immediately disclose any such conflict or potential conflict to the Chairman/ Managing Director / Company Secretary, immediately.
- b)** During your appointment you may not, without the prior agreement of the Board, accept the Directorship of a Company that is, or provide your services to any person who is, a competitor of the Company. The Board's consent will not be granted if such an appointment or involvement would, in the opinion of the Board, conflict with or be likely to interfere with your appointment as an Independent Director.
- c)** You acknowledge that you shall be appointed as an Independent Director within the meaning understood by the Company, and you warrant and represent on a continuing basis that there are no other circumstances which could affect your status as an Independent Director.

9. Performance Appraisal/Evaluation Process

As a member of the Board, your performance as well as the performance of the entire Board and its Committees will be evaluated annually. 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(s).

10. Disengagement

You 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 the Director in the notice, whichever is later.

The directorship on the Board of the Company shall cease in accordance with law. The Company may however disengage any of its Independent Director prior to completion of Term (subject to compliance of relevant provisions of the Act) upon the director failing to meet the criteria for independence as envisaged in Section 149(6) of the Companies Act, 2013 or the SEBI Listing Regulations.

11. Confidentiality

- a)** You acknowledge the need to hold and retain company information (in whatever format you may receive it) under appropriately secure conditions.
- b)** Your attention is drawn to the requirement under both law and regulation regarding the disclosure of price sensitive information and in particular to SEBI (Prohibition of Insider Trading) Regulations, 2015, read with the amendments from time to time on insider dealing. You should avoid making any Statements that might risk a breach of these requirements. In case of any clarifications or doubts, please contact Company Secretary of the Company.

12. Jurisdiction

Your engagement with the Company is governed by and shall be construed with the laws of India and your engagement shall be subject to the jurisdiction of the National Capital Territory of Delhi.

These terms of appointment of Independent Directors shall be read in line with the provisions of laws as may become mandatorily applicable to the Company from time to time.

Annexure-A Code for Independent Directors

The Code is a guide to professional conduct for independent Directors. Adherence to these standards by independent Directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent Directors.

I. Guidelines of professional conduct:

An independent director shall:

- (1) Uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising his duties;
- (3) exercise his responsibilities in a bona fide manner in the interest of the company;
- (4) Devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (6) Not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (7) Refrain from any action that would lead to loss of his independence;
- (8) Where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly; (9) Assist the company in implementing the best corporate governance practices.

II. Role and functions:

The independent Directors shall:

- (1) 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;
- (2) bring an objective view in the evaluation of the performance of board and management;
- (3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) Balance the conflicting interest of the stakeholders;

- (7) 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;
- (8) Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

III. Duties:

The independent Directors shall—

- (1) Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) Seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- (3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the company;
- (6) Where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- (7) keep themselves well informed about the company and the external environment in which it operates;
- (8) Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (9) Pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- (10) Ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- (11) Report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) Acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;

- (13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

IV. Manner of appointment:

(1) Appointment process of independent Directors shall be independent of the company management; while selecting independent Directors the Board shall ensure 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.

(2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.

(3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, 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.

(4) The appointment of independent Directors shall be formalised through a letter of appointment, which shall set out:

- (a) The term of appointment;
- (b) The expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
- (c) The fiduciary duties that come with such an appointment along with accompanying liabilities;
- (d) Provision for Directors and Officers (D and O) insurance, if any;
- (e) The Code of Business Ethics that the company expects its Directors and employees to follow;
- (f) The list of actions that a director should not do while functioning as such in the company; and
- (g) The remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.

(5) The terms and conditions of appointment of independent Directors shall be open for inspection at the registered office of the company by any member during normal business hours.

(6) The terms and conditions of appointment of independent Directors shall also be posted on the company's website.

V. Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

VI. Resignation or removal:

(1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.

(2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within three months from the date of such resignation or removal, as the case may be.

(3) Where the company fulfils the requirement of independent Directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

VII. Separate meetings:

(1) The independent Directors of the company shall hold at least one meeting in a financial year, without the attendance of non-independent Directors and members of management;

(2) All the independent Directors of the company shall strive to be present at such meeting;

(3) The meeting shall:

(a) Review the performance of non-independent Directors and the Board as a whole;

(b) Review the performance of the Chairperson of the company, taking into account the views of executive Directors and non-executive Directors;

(c) 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.

VIII. Evaluation mechanism:

(1) The performance evaluation of independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated.

(2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.