

FABTECH TECHNOLOGIES LIMITED
(FORMERLY KNOWN AS FABTECH TECHNOLOGIES PRIVATE LIMITED)

TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

1. Appointment

The term of Independent Director (“**ID**”) is in accordance with the provisions of the Companies Act, 2013 (“**Act**”), Regulation 16 (1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) (as amended from time to time) (“**SEBI Listing Regulations**”) and Articles of Association (“**AOA**”) of the Fabtech Technologies Limited (formerly known as Fabtech Technologies Private Limited (“**Company**”) and other applicable laws.

The ID will serve in a single term for a maximum period of 5 (five) consecutive years from his/her date of appointment unless vacated and/or terminated earlier. The appointment of ID is subject to the approval of shareholders at the ensuing Annual General Meeting of the Company.

An ID will not be liable to retire by rotation

Re-appointment at the end of the Term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the shareholders. Their reappointment would be considered based on the outcome of the performance evaluation process and the directors continuing to meet the independence criteria.

2. Board Committees

The Board of Directors (“**Board**”) may, if it deems fit, invite ID for being appointed on one or more existing Board Committees and copies of the terms of reference for each of such committees will be given to ID upon such appointments. Their Appointment on any other Committees of the Company constituted from time to time will be communicated to them .

3. Time Commitment

Considering the nature of the role of a director, it is difficult for the Company to lay down specific parameters on time commitment. However, the Company and the Board looks forward for the independent view of the ID to the Board's discussions. An IDs experience and leadership shall provide the Board with effective inputs in relation to the Company's strategy, performance, risk management, financial management and corporate governance.

The Company shall appreciate IDs regular attendance for Board Meeting and Board Committees to which they are appointed as a Member or required to attend as an Invitee, and at the shareholders' meetings.

4. Role, duties and responsibilities

- A. As a member of the Board an ID along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:

- Requirements under the Companies Act, 2013,
- Responsibilities of the Board as outlined in the SEBI Listing Regulations,
- Accountability under the Directors' Responsibility Statement.

The ID shall abide by the 'Code for Independent Directors' as outlined in Schedule IV to Section 149(8) of the Act, and the duties of directors as provided in the Act (including section 166).

5. Professional Conduct for Independent Directors

The ID shall:

- i. uphold ethical standards of integrity and probity;
- ii. act objectively and constructively while exercising your duties;
- iii. exercise your responsibilities in a bona fide manner in the interest of the Company;
- iv. devote sufficient time and attention to your professional obligations for informed and balanced decision-making;
- v. 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;
- vi. 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;
- vii. refrain from any action that could lead to a loss of your independence;
- viii. Assist the Company in implementing the best corporate governance practices.

6. Remuneration

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

In addition to the sitting fees, profit related commission may also be paid to the ID, subject to Shareholders approval. This amount shall not exceed 1% of the net profit of the Company for the year calculated as per the provisions of the Act.

Further, the Company may pay or reimburse to the ID such expenditure that may be incurred by ID while performing their role as an ID of the Company. This could include reimbursement of expenditure incurred by ID 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, participating in induction and training programmes (organized by the Company for Directors) and/or obtaining professional advice (subject to the expense being reasonable) from independent advisors in the furtherance of their duties as an ID.

7. Code of Conduct

The Independent Directors of the Company, they shall agree to comply with the Company's Code for Directors, KMP and SMP.

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 respective directorships with the Company

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

The Provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 prohibits communication or use of unpublished price sensitive information. IDs of the Company are classified as a designated person of the Company and hence are prohibited from dealing in the Company's securities during the period when the trading window is closed.

Further, ID being designated officers of the Company for the purpose of insider trading guidelines, are required to obtain the necessary preclearance for all trades (buy/sell/gift) from the Compliance Officer. They are required to comply with the applicable insider trading laws and regulations and with the Company's code of conduct and ethics.

Further, for the purpose of compliance with insider trading regulations, they are required to pre-clear from the Compliance Officer of the Company, trade(s) in securities of Company where the cumulative trade whether in one or more transaction, exceeds ₹10 lacs in any financial year.

8. Training and Development

The Company may, if required, conduct formal training programmes for its Independent Directors. The training programmes may include any or all of the following:

- Board roles and responsibilities, whilst seeking to build working relationship among the Board members,

- Company's vision, strategic direction, core values, ethics and corporate governance practices,
- Familiarization with financial matters, management team and business operations,
- Meetings with stakeholders, visits to business locations and meetings with senior and middle management.

The Company may, as may be required, support Directors to continually update their skills and knowledge and improve their familiarity with the Company and its business. The Company will fund/arrange for training on all matters which are common to the full Board.

9. Performance Appraisal / Evaluation Process

Annually, the Board evaluates the effectiveness of its functioning, on various parameters such as:

- Degree of fulfilment of key responsibilities towards stakeholders (by way of monitoring corporate governance practices, participation in the long-term strategic planning etc.);
- The structure, composition and role clarity of the Board and Committees;
- Extent of co-ordination and cohesiveness between the Board and its Committees;
- Effectiveness of the deliberations and process management;
- Board/Committee culture and dynamics; and
- Quality of relationship between Board Members and the Management.

The performance evaluation of the ID shall be done by the entire Board, excluding the director being evaluated. The appointment/re-appointment on the Board shall be subject to the outcome of the annual evaluation process.

10. 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. In the event where they become aware of any potential conflict of interest with their position as Director of the Company, they shall promptly disclose the same to the Chairman and the Company Secretary and provide such other disclosures and information as may be required under the applicable laws.

During their term, they agree to promptly provide a declaration under Section 149(7) of the Act, upon any change in circumstances which may affect their status as an Independent Director.

11. Independent Directors' discussion

Annually and when required, the IDs meet without the presence of Non-

Independent Directors and members of the Management. At this meeting, the Independent Directors *inter alia* evaluate the performance of the Non-Independent Directors and the Board as a whole, evaluate the performance of the Chairman of the Board and discuss aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

12. Changes in personal details

During their Term, the IDs 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.

13. Disengagement

ID may resign as Director of the Company by giving 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 ID in the notice, whichever is later. The resignation letter shall follow the format and such disclosures as prescribed under the SEBI (LODR) Regulations, 2015.

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 2013 Act) upon

1. Violation of any provision of the Code of Conduct of the Company as applicable to Directors,
2. Violation of any provision of Code for Independent Directors;
3. Violation of duties of Independent Director as envisaged in the Act, 2013, Listing Regulations or your terms of appointment;
4. Upon the director failing to meet the criteria for independence as envisaged in Section 149(6) of the Act and 16(1)(b) of the SEBI Listing Regulations
5. Vacancy of the position of Directorship being created on account of the disqualification of Director being attracted under the provisions of Section 164 and 167 of the Companies Act, 2013.

14. Publication of letter of appointment

The Company shall disclose the terms and conditions of the appointment of ID on the website of the Company - www.fabtechnologies.com

15. Miscellaneous

The terms of appointment contained in this Code along with the IDs detailed profile shall be disclosed on the website of the Company and the relevant stock exchanges.

16. Acceptance of Appointment

The IDs shall confirm their acceptance of the above terms by signing and returning the enclosed duplicate copy of the Code/ Letter of Appointment.