

Terms and Conditions of Appointment as an Independent Director of Action Construction Equipment Limited (“Company”)

The appointment as an Independent Director is subject to the Articles of Association of the Company and the terms and conditions set out below:

A. Preliminary

The appointment of Independent Directors is subject to the following:

1. During the tenure as an Independent Director, a declaration at the beginning of every Financial Year under Section 149 (7) of the Companies Act, 2013 (“Act”) shall be submitted stating that he meets the criteria of Independence.
2. So long as he is an Independent Director of the Company, the number of companies in which he hold office as a Director or a chairman or committee member will not exceed the limit stipulated under the Act and the Listing Agreement.
3. So long he is an Independent Director of the Company, he will ensure that he will not get disqualified to act as a Director pursuant to the provisions of Section 164 of the Act.
4. He will ensure compliance with other provisions of the Act and the Listing Agreement as applicable to him as an Independent Director.

B. Term

The Appointment of Independent Director is made for a defined term not exceeding five years as provided in the Act.

C. Committees

The Board of Directors (the Board) may, if it deems fit, invite the Independent Directors for being appointed on one or more existing Board Committees or any such Committee that is set up in the future. The appointment on such Committee(s) will be subject to the applicable regulations.

D. Code of Conduct and Duties and Responsibilities

1. The Independent Director will abide by the Company’s Code of Business Conduct and Ethics Applicable to Non-Executive Directors and business principles to the extent applicable to an Independent Director of the Company.

2. The Independent Director will abide by the guidelines of professional conduct, role, function and duties as an Independent Directors provided in Schedule IV of the Companies Act, 2013.
3. The Independent Director will not hold office as a Director or any other office in a competing firm/entity.
4. The Independent Director is expected to stay updated on how best to discharge their roles, responsibilities, and duties and liabilities, as an Independent Director of the Company under applicable law, including keeping abreast of current changes and trends in economic, political, social, financial, legal and corporate governance practices.
5. The Independent Director will not achieve or attempt to achieve any undue gain or advantage either to him or to their relatives, partners or associates.
6. The Independent Director is expected to:
 - (i) take decisions objectively and solely in the interests of the Company;
 - (ii) facilitate Company's adherence to high standards of ethics and corporate behavior;
 - (iii) guide the Board in monitoring the effectiveness of the Company's governance practices and to recommend changes, required if any;
 - (iv) guide the Board in monitoring and managing potential conflicts of interest of Management, Board Members and Stakeholders, including misuse of corporate assets and abuse in related party transactions;
 - (v) guide the Board in ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.

E. Remuneration

1. The annual remuneration of the Independent Director will be as under:
 - (i) sitting fees for attending each meeting of the Board and its Committees as may be determined by the Board from time to time, and

F. Time Commitment

1. As a Non-Executive Director, Independent Director is expected to bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective leadership in relation to the Company's strategy, performance, and

risk management as well as ensuring high standards of financial probity and corporate governance. The Board meets atleast four times in a year. The Audit Committee also meets atleast four times in a year. Besides, there are other Committee meetings like Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee meetings which are ordinarily convened once or twice in a year. Independent Director will be expected to attend Board, Board Committees to which they may be appointed and Shareholders meetings and to devote such time to their duties, as appropriate for them to discharge their duties effectively. Ordinarily, all meetings are held in Delhi & Haryana.

2. By accepting this appointment, Independent Director confirms that he is able to allocate sufficient time to meet the expectations from his role to the satisfaction of the Board.

G. Conflict of Interest

1. It is accepted and acknowledged that Independent Director may have business interests other than those of the Company. As a condition to their appointment, Independent Directors are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of appointment.
2. In the event that 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 judgement of those Directors who are independent, this should be disclosed to both the Chairman and the Secretary.

H. Evaluation

The Company has adopted a policy on Board Evaluation. The policy provides for evaluation of the Board, the Committees of the Board and individual Directors, including the Chairman of the Board. As per the Policy, the Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis. The appointment and re-appointment on the Board shall be subject to the outcome of the yearly evaluation process.

I. Termination

1. The Independent Director may resign from the position at any time and should wish to do so, are requested to serve a reasonable written notice on the Board.
2. The appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

J. Miscellaneous

The Independent Director will have access to confidential information, whether or not the information is marked or designated as “confidential” or “proprietary”, relating to the Company and its business including legal, financial, technical, commercial, marketing and business related records, data, documents, reports, etc., client information, intellectual property rights (including trade secrets), (“**Confidential Information**”).

The Independent Director will use reasonable efforts to keep confidential and to not disclose to any third party, such Confidential Information.

If any Confidential Information is required to be disclosed by them in response to any summons or in connection with any litigation, or in order to comply with any applicable law, order, regulation or ruling, then any such disclosure should be, to the extent possible, with the prior consent of the Board.