



AUSTIN ENGINEERING COMPANY LIMITED

Regd. Office & Works.

Patla, Ta. Bhesan, Via Ranpur (Sorath), Post Hadmatiya-362 030, Dist. Junagadh. (India)

Phones : (02873) 252223, 252267, 252268 Fax : (02873) 252225

CIN. L27259GJ1978PLC003179

Austin Engineering Co. Ltd.

TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

“Independent Director” means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49(II)(B) of the Equity Listing Agreement.

The terms and conditions of appointment of the following Independent Directors are subject to the extant provisions of the:

- (i) Applicable laws, including the Companies Act, 2013 and Clause 49 of the Listing Agreement (as amended from time to time) and
- (ii) Articles of Association of the Company.

The broad terms and conditions of their appointments as Independent Directors of the Company are enumerated as hereunder:

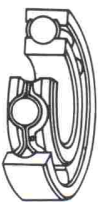
1. TERMS OF APPOINTMENT :

The appointment is subject to the confirmation by the shareholders in the general meeting and the receipt of consent to act as an Independent director of Austin Engineering Company Limited (Company) under the Companies Act, 2013.

The Company may disengage Independent Directors prior to completion of the term subject to compliance of relevant provisions of the applicable laws and under the Articles of Association of the Company.

As Independent Directors, they will not be liable to retire by rotation.

Reappointment 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. The reappointment would be considered by the Board based on the outcome of the performance evaluation process and the directors continuing to meet the independence criteria. The directors 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.



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An Independent Director's performance will be reviewed during tenure with the company in accordance with processes agreed by the Board from time to time .An Independent Director agrees to participate in such reviews.

2. COMMITMENTS:

Independent Director

- An Independent director will be expected to devote such time as is necessary for the proper performance of an Independent Director's duties; an Independent director will be involved in a number of board and committee meeting each year. An Independent Director should strive to attend all the scheduled quarterly board meetings, General meetings, Committees board meeting and other meetings or attendance as necessary.
- By accepting this appointment, an Independent Director has confirmed that he/she is able to allocate sufficient time to meet expectations of an Independent Director's role.

The Company:

The Company shall do the followings:

- The Company shall provide an Independent director adequate notice of the dates of proposed board meetings, general meetings, and meetings of board committees. As per the provisions of the Companies Act, 2013 the company is expected to give an Independent Director an advance notice of minimum 7 days of every board and the committees meetings. A meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that atleast one independent director, shall be present at the meeting of the board , decision taken at such meeting shall be circulated to all the directors and shall only on ratification thereof by at least one independent director. The notice of the board/committee meetings will be provided along with the agenda of the Board/Committee meetings.
- The Company will train its Board members in the business model of the company as well as the risk profile of the business parameters of the company and their responsibilities as Director.
- The Company shall establish an effective whistle blower mechanism so that the directors can raise their concern.



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- It shall be the responsibility of the Company to provide the Independent director with all the information and documents required to fulfill their functions.
- The Company shall ensure that the independent directors are aware of their statutory obligations.

3. CODE OF CONDUCT , FUNCTIONS AND DUTIES:

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 Companies Act, 2013
- "Responsibilities of the Board" as outlined in the Corporate Governance requirements as prescribed by Stock Exchanges under Clause 49 of the Listing Agreement,
- Accountability under the Director's Responsibility Statement.

They shall abide by the '**Code For Independent Directors**' as outlined in **Schedule IV to section 149(8) of the 2013 Act, and duties of directors as provided in the 2013 Act (including Section 166) and in Clause 49 of the Listing Agreement.**

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

As a Director of the Company, an Independent Director will have legal duties and obligations under the Companies Act, 2013.

Unless specifically authorised 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 their independent judgment in the best interest of the Company.

4. LIABILITY

Being an independent director they shall be held liable, only in respect of such acts of omission



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or commission by a company which had occurred with their knowledge, attributable through Board processes, and with their consent or connivance or where they had not acted diligently with respect of the provisions contained in the Listing Agreement.

5. REMUNERATION

As Independent Directors, they shall be paid sitting fees for attending the meetings of the Board and the Committees of which they are 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, commission that may be determined by the Board may also be payable to them. In determining the amount of this commission, the Board supported by the Nomination and Remuneration Committee may consider performance of the Company and their performance as evaluated by the Board.

Further, the Company may pay or reimburse to the Director 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 (organized by the Company for Directors) and in obtaining, subject to the expense being reasonable, professional advice from independent advisors in the furtherance of their duties as Independent Directors.

As an Independent Director, an Independent Director shall not be entitled to any stock option and shall not be covered by any pension scheme.

6. CONFLICT OF INTEREST

It is accepted and acknowledged that the Independent Director may have business interests other than those of the Company. As a condition to their appointment commencing, they are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of their appointment and first board meeting of every financial year or whenever there is any change in such disclosures already made.

As an Independent Director, an Independent Director shall not engage in any activity/ies that is not expected from an Independent Director as an Independent Director.



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7. INDEMNITY AND 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.

8. 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 Directors of the Company, they shall promptly disclose the same to the Chairman and the Company Secretary.

During their term, they agree to promptly provide a declaration under Section 149(7) of the 2013 Act, upon any change in circumstances which may affect their status as an Independent Director.

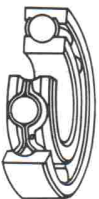
9. PERFORMANCE APPRAISAL / EVALUATION PROCESS

As members of the Board, their 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.

10. CODE FOR INDEPENDENT DIRECTORS, CODE OF CONDUCT FOR DIRECTORS AND CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING FOR EMPLOYEES, INCLUDING DIRECTORS:

An Independent Director is required to abide by the Code for Independent Directors, Code of Conduct for directors and Code of Conduct for prevention of Insider Trading for Employees, including Directors, as issued by the company

11. TRAINING AND DEVELOPMENT



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The Company may, if required, conduct formal training program for its Independent Directors. 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 whole Board.

12. TERMINATION

- An Independent Director may resign from his position at any time and should they wish to do so, they are requested to serve a reasonable written notice on the Board.
- Continuation of their appointment is contingent on their getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013 and the Articles of Association of the Company, from time to time in force. They will not be entitled to compensation if the shareholders do not re-elect them at any time.
- Their appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

13. GOVERNING LAW

This agreement is governed by and will be interpreted in accordance with Indian law and the engagement shall be subject to the jurisdiction of the Indian courts.

14. GENERAL PROVISIONS

All the terms as mentioned above including your appointment, remuneration, professional conduct, role and functions, duties and evaluation shall be governed by the Companies Act, 2013 and Rules made thereunder and Corporate Governance requirements under the Listing Agreement, as amended from time to time. This Letter and any non-contractual obligations arising out of or in connection with this Letter are governed by, and shall be construed in accordance with the laws of India and subject to the exclusive jurisdiction of the Courts of India.

NOTE:

The provisions of the Companies Act, 2013 and rules thereto and Listing Agreement (including any amendment thereto from time to time) to the extent applicable, shall be apply on the appointment of Independent Directors.



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