

To,
[Name of Independent Director]
[Address]

Date: [●]

Dear [●],

Sub.: Appointment as a Non-Executive Independent Director of the board of directors of INOX Air Products Limited ("Company").

I am pleased to inform you that, on the recommendation of the Board of Directors of the Company ("Board"), the shareholders of the Company have approved your appointment as a non-executive independent director of the Company ("Non-executive Independent Director"), in accordance with the Companies Act, 2013 ("Act").

This letter is being issued to comply with the requirement of Schedule IV to the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**").

Your appointment is subject to the provisions of (i) applicable laws, including the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, as amended from time to time, and (ii) the Articles of Association of the Company ("AoA").

The detailed terms and conditions of your appointment are contained in **Annexure A**, which forms an integral part of this letter

It is a pleasure to have you on the Board of our Company. We look forward to your guidance and we are certain that we would benefit immensely from your experience and expertise.

We would be grateful if you could kindly confirm your acceptance of the appointment.

Yours truly,

For and on behalf of
INOX Air Products Limited

Agreed & Acknowledged

Name: Siddharth Jain
Designation: Managing Director
DIN: 00030202

Name: [●]

DIN: [●]

ANNEXURE A

1. Tenure of Appointment

- 1.1 Your appointment is for a period of 5 (five) years from the shareholders' meeting approval date i.e [●], subject to maximum of 2 (two) tenures of 5 (five) years each.
- 1.2 Your appointment shall not be subject to retirement by rotation in pursuance of provision of sub-section 13 of Section 149 of the Companies Act, 2013.

2. Terms of office

- 2.1 Please note that you will not be an employee of the Company, and this letter shall not constitute a contract of employment. Accordingly, you will not have any entitlement to any bonus during your tenure and no entitlement to participate in any employee stock option scheme operated by the Company or any group company, if any.
- 2.2 During your tenure of office as a Non-executive Independent Director, you as a Non-executive Independent Director should not:
 - 2.2.1 Be the promoter of the Company, its holding, subsidiary, associate company or a member of the promoter group of the Company;
 - 2.2.2 Be related to promoters or directors in the Company or its holding, subsidiary or associate company;
 - 2.2.3 Have or has any pecuniary relationship other than receiving director's remuneration/ sitting fees or have transaction exceeding 10 (ten) percent of his/her total income or such amount as may be prescribed from time to time, with the Company, its holding, subsidiary or associate company, or their promoters or directors;
 - 2.2.4 Hold/have held (including any of your relatives) position of key managerial personnel of the Company or its holding, subsidiary or associate Company or promoter group of the Company;
 - 2.2.5 hold together with your relatives, 2 (two) percent or more of the total voting power of the Company.
 - 2.2.6 hold or have held (including any of your relatives) any position or appointment as an employee or proprietor or a partner:

- 2.2.6.1 in a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate Company; or
- 2.2.6.2 in any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to 10 (ten) percent or more of the gross turnover of such firm.
- 2.2.7 (including any of your relatives) be a Chief Executive or Director, by whatever name called of any non-profit organization that receives 25 (twenty-five) percent or more of its receipts or corpus from the Company, any of its promoters, directors or its holding, subsidiary or associate Company or that holds 2 (two) percent or more of the total voting power of the Company.
- 2.2.8 (including any of you relatives) be a material supplier, service provider, customer, lessor or lessee of the Company.
- 2.2.9 take up directorship as a non-independent director in another Company in which any of the non-independent director of the Company is a Non-executive Independent Director.
- 2.3 We would request you to kindly go through the code of conduct of the Company and during the tenure of your office as a Non-executive Independent Director, to ensure compliance with the same and to follow the guidelines of professional conduct prescribed under the Companies Act, 2013.
- 2.4 In the event that you resign from the Company post listing, you shall not be appointed as an executive / whole time director on the Board of the Company, its holding, subsidiary or associate company or on the Board of a company belonging to its promoter group, unless a period of 1 (one) year has elapsed from the date of your resignation as a Non-executive Independent Director.
- 2.5 During your tenure of office as a Non-executive Independent Director, you shall ensure that none of your relatives:
- 2.5.1 is holding any security of or interest in the Company, its holding, subsidiary or associate company. *Provided that the relative may hold security or interest in the Company of face value not exceeding INR 50,00,000/- (Rupees Fifty Lakhs Only) or 2 (two) per cent. of the paid-up capital of the Company, its holding, subsidiary or associate company or such higher sum as may be prescribed.;*

- 2.5.2 is indebted to the Company, its holding, subsidiary or associate company or their promoters, or directors, for an amount exceeding 2 (two) percent of the Company's gross turnover or INR 50,00,000, whichever is lower, in excess of such amount as may be prescribed;
 - 2.5.3 has given a guarantee or provided any security in connection with the indebtedness of any third person to the Company, its holding, subsidiary or associate company or their promoters, or directors, for an amount exceeding 2 (two) percent of the Company's gross turnover or INR 50,00,000, whichever is lower, as may be prescribed;
 - 2.5.4 has any other pecuniary transaction or relationship with the Company, or its subsidiary, or its holding or associate company amounting to 2 (two) per cent. or more of its gross turnover or total income. Provided that the pecuniary relationship or transaction with the Company, its holding, subsidiary, associate or their promoters or directors in relation to sub-clause 2.5.1, 2.5.2 or 2.5.3 shall not exceed 2 (two) of its gross turnover or total income of INR 50,00,000, whichever is lower.
- 2.6 Further, you shall not serve as an independent director in more than three listed companies, if you are a whole-time director/managing director of a listed company or shall not serve as an independent director in more than seven listed companies if you are not a whole-time director/managing director of a listed company.

3. Role and functions

Your role and functions as a Non-executive Independent Director of the Company shall, in terms of Schedule IV prescribed vide Section 149(8) of the Companies Act, 2013 be as follows

You shall:

- 3.1 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;
- 3.2 bring an objective view in the evaluation of the performance of Board and management;
- 3.3 scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- 3.4 satisfy yourself on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- 3.5 safeguard the interests of all stakeholders, particularly the minority shareholders;

- 3.6 balance the conflicting interest of the stakeholders;
- 3.7 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; and
- 3.8 moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholders' interests.

4. Duties

4.1 General

As a Non-executive Independent Director you are expected to perform the general fiduciary duties, and exercise the skill and care expected of every director.

4.2 Membership of Committees

You may from time to time be appointed as a member/chair of one or more of the committee(s) of the Board of Directors. The terms of reference of such committee(s) along with specific duties if any will be communicated to you vide a separate communication.

4.3 Duties under Section 166 of the Companies Act, 2013

You are also expected to perform following duties as a director of the Company which are specifically provided under Section 166 of the Companies Act, 2013.

You shall:

- 4.3.1 act in accordance with the Articles of Association of the Company, subject to the provisions of Companies Act, 2013;
- 4.3.2 act in good faith in order to promote the objects of the Company for the benefits of its members as a whole, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment;
- 4.3.3 exercise duties with due and reasonable care, skill and diligence and shall exercise independent judgement;

- 4.3.4 not involve in a situation in which one may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company;
- 4.3.5 not achieve or attempt to achieve any undue gain or advantage either or to ones relatives, partners or associates
- 4.3.6 not assign your office to any other person as any such assignment shall be void.

4.4 Duties under Schedule IV of the Companies Act, 2013 and SEBI Listing Regulations

As a Non-executive Independent Director you are also expected to perform following duties which are specifically defined under Schedule IV to the Companies Act, 2013 and in the SEBI Listing Regulations.

You shall:

- 4.4.1 undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- 4.4.2 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;
- 4.4.3 strive to attend all meetings of the Board of Directors and of the Board committees of which one is a member, if any;
- 4.4.4 participate constructively and actively in the committees of the Board in which one is a chairperson or member, if any;
- 4.4.5 strive to attend the general meetings of the Company;
- 4.4.6 where you have concerns about the running of the Company or a proposed action, ensure that these concerns are addressed by the Board and, to the extent that concerns are not resolved, insist that your concerns are recorded in the minutes of the Board meeting;
- 4.4.7 keep yourself well informed about the Company and the external environment in which it operates;
- 4.4.8 not unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;

- 4.4.9 pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and also ensure that the same are in the interest of the Company;
- 4.4.10 ascertain and ensure that the Company has an adequate and functional vigil mechanism and to also ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- 4.4.11 report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct.;
- 4.4.12 acting within your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees; and
- 4.4.13 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.
- 4.4.14 Along with the other Non-executive Independent Directors hold at least 1 (one) meeting in a financial year without the attendance of non-independent directors and members of the management and all the Non-executive Independent Directors shall strive to be present at such separate meeting. At such meeting, all the Non-executive Independent Directors shall: (a) review the performance of the non-independent directors and the Board as a whole; (b) review the performance of the chairperson, if any, of the Company, taking into account the views of the executive directors and non-executive directors; (c) assess the quality, quantity and timeliness of flow of information between the Company management and the Board for the Board to effectively and reasonably perform their duties.

5. Director & Officers (D & O) Insurance Policy

You will be entitled to indemnification afforded to the directors by the Company's Articles of Association, the Companies Act, 2013 and as per the Directors & Officers (D&O) insurance policy of the Company.

6. Sitting Fees

In your capacity as a Non-executive Independent Director you shall be entitled to sitting fees of INR 1,00,000/- (Rupees One Lakh Only) per meeting for attending meetings of the Board and/or Committee(s) of the Board.

7. Reimbursement of Expenses

INOX Air Products Limited

(formerly known as INOX Air Products Private Limited)
An affiliate of Air Products & Chemicals, Inc., USA
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You will be reimbursed all the expenses incurred in travelling for attending the Board and other meetings and reasonable and proper accommodation expenses if any for meetings that necessitates one to stay away from one's home.

8. Independence and other interests

- 8.1 The Company acknowledges that you may have business interests other than those of the Company, accordingly, as a condition to your appointment, you are required to declare any such directorships, appointments and interests to the Board by writing to the Company Secretary of the Company, in the prescribed form at the time of your appointment.
- 8.2 Further, at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect your status as a Non-executive Independent Director, you shall furnish a declaration that you meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.
- 8.3 In case you have any material interest in any transaction or arrangement that the Company has entered into should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record your interest appropriately and the Company's records are updated. A general written notice that you are interested in any contract with a particular person, firm or company is acceptable.

9. Confidentiality

During your appointment with the Company, all information acquired by you is confidential to the Company and should not be released to third parties unless required by law or any regulatory body. Post cessation of your directorship with the Company, all confidential information of the Company acquired by you, during your appointment, shall not be released to third parties without prior written clearance of the Chairperson of the Board or Managing Director of the Company unless required by law or any regulatory body.

10. Rights

During your tenure of office as a Non-executive Independent Director, you shall have the following rights:

- 10.1 Access to all information in or about the Company and its affairs which are made available to the directors;

- 10.2 Review the agendas for Board meeting/s and committee meeting/s and all relevant papers; and
- 10.3 Contact the chairperson of the Board, chief executive officer or any other key management personnel, in case of any requirement.

11. Termination

- 11.1.1 if you are disqualified from acting as a director, or you are required to vacate your office as a director for any reason either under the Companies Act, 2013 or under Listing Regulations/Relevant SEBI Guidelines.
- 11.1.2 if you submit resignation from your office by giving notice in writing as per Section 168 of the Companies Act, 2013 or an Ordinary Resolution/ Special Resolution (as the case may be) is passed by the Company for your removal from the office of Non-executive Independent Director as provided in Section 169 of the Companies Act, 2013.

INOX Air Products Limited

(formerly known as INOX Air Products Private Limited)
An affiliate of Air Products & Chemicals, Inc., USA
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