

Shreenath Investment Company Limited

CIN : L67120MH1979PLC022039

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

- (i) Applicable laws, including the Companies Act, 2013 ('2013 Act') and relevant regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 here after called (LODR) (as amended from time to time) and
- (ii) Articles of Association of the Company.

The broad terms and conditions for appointments of Independent Directors of the Company are reproduced hereunder:

1. APPOINTMENT

The appointment will be for the period of 5 years or the Director attaining the age of 75 years, whichever is earlier as approved by the shareholders in the General Meeting ("Term"). The Company may disengage Independent Directors prior to completion of the Term subject to compliance of relevant provisions of the Companies Act, 2013.

Independent Directors will not be liable to retire by rotation.

Re-appointment for another term of maximum period of five years at the end of the current term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the shareholders by way of Special Resolution. The re-appointment 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.

2. ROLE, DUTIES AND RESPONSIBILITIES

A. As members of the Board, Independent Director along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:

- Requirements under the 2013 Act,–
- “Responsibilities of the Board” as outlined in the Corporate Governance requirements– as prescribed by Stock Exchanges under LODR,
- Accountability under the Director’s Responsibility Statement,–
- Various codes and policies adopted/to be adopted by the Company and– communicated to the Board Member; and
- Such other responsibilities as may be communicated from time to time.–

B. Independent Director 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 relevant regulations of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 (as amended from time to time).

C. Independent Directors are expected to bring objectivity and independence of view to the Board’s discussions and to help provide the Board with effective inputs in relations to the Company’s strategy, performance and risk management as well as ensuing high standard of financial probity and Corporate Governance.

3. TIME COMMITMENT

The Independent Directors agree to devote such time as is prudent and necessary for the proper performance of their role, duties and responsibilities as an Independent Director.

4. REMUNERATION

Independent Directors shall be entitled for sitting fees for attending the meetings of the Board and the Committees of which they are members would be as determined by the Board from time to time.

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 Bank 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.

5. CODE OF CONDUCT

As Independent Directors of the Company, they agree to comply with the Company's Code of Conduct for Board Member and Senior Management. Unless specifically authorized by the Company, Directors must apply highest standards of confidentiality and shall not disclose Company's 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.

The provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended or replaced from time to time) prohibiting disclosure or use of unpublished price sensitive information, would be applicable to the Independent Directors.

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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. All Directors are required to sign a confirmation of acceptance of the Company's Code of Conduct for all Board Members and Senior Management as adopted by the Board on annual basis.

6. TRAINING AND DEVELOPMENT

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 arrange for training on all matters which are common to the whole Board.

7. 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 by the Nomination and Remuneration Committee and 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.

8. DISCLOSURES, OTHER DIRECTORSHIPS AND BUSINESS INTERESTS

During the Term, Independent Directors shall 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. Independent Director also agrees 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.

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9. CHANGES OF PERSONAL DETAILS

During the Term, they 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.

10. DISENGAGEMENT

Independent Director 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 them in the notice, whichever is later. 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 Act) upon:

- Violation of any provision of the Code of Conduct for all Board Members and Senior– Management.
- Upon the Director failing to meet the criteria for independence as envisaged in Section 149(6)– of the 2013 Act and LODR.