



Sharda Ispat Ltd.

Regd. Off.: Kamptee Road, Nagpur - 44 00 26

Tel.: 0712 - 2245156, 2245888, | Email: shardaispat.ngp@gmail.com

Website: www.shardaispat.com | CIN No.: L74210MH1960PLC011830



Terms and Conditions of appointment of Independent Directors (ID)

The Terms and Conditions of the appointment of IDs of the Company, which shall, in any event be subject to the provisions of the Companies Act, 2013, The Listing Regulations and the Articles of Association of the Company, are set out below.

Appointment

1. Appointment as a Non-Executive ID on the Board of Directors of the Company is subject to the provisions of the Companies Act, 2013 and in compliance with provisions of section 149 and other applicable provisions of the Companies Act, 2013; the directorship is not subject to retirement by rotation.
2. The board of directors may appoint an ID as Member/ Chairman of one or more of its committees as may be decided by the Board of directors.
3. Notwithstanding other provisions, the appointment to the Board and consequent appointment to any committee, if any, may be terminated in accordance with the provisions of the Articles of Association of the Company.

Time Commitment

4. Non- Executive ID(s) are 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. IDs are expected to attend Board and Board Committees meeting to which they may be appointed and shareholders meetings and to devote such time towards their duties, as appropriate for discharging their duties effectively.

Role and Duties

5. Role and duties of ID(s) will be those normally required of Non - Executive ID under the Companies Act, 2013. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:
 - a) IDs shall act in accordance with the Company's Articles of Association as may be amended from time to time.
 - b) IDs shall act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interest of the Company.



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- c) IDs shall discharge their duties with due and reasonable care, skill and diligence. IDs shall not involve themselves in a situation in which they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- d) IDs shall not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners or associates.
- e) IDs shall not assign their office as Director and any assignments so made shall be void.
- f) IDs should constructively challenge and help develop proposals on strategy for growth of the company.
- g) IDs should evaluate the performance of management in meeting agreed goals and objectives.
- h) IDs should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are effective and defensible.
- i) IDs are responsible for determining appropriate levels of remuneration of executive directors and have a prime role in appointing, succession planning and where necessary, removing Executive Directors.
- j) IDs shall take responsibility for the processes for accurately reporting on performance and the financial position of the company.
- k) IDs should keep governance and compliance with the applicable legislation and regulations under review and the conformity of company's practices to accepted norms.

Status of Appointment

- 6. IDs will not be employees of the company and their appointment shall not constitute a contract of employment. IDs will be paid such remuneration by way of sitting fees for meetings of the board and its committees as may be decided by the board. Further, IDs will also be paid remuneration by way of commission as may be approved by the board and the shareholders from time to time.
- 7. IDs will have no entitlement to any bonus during the appointment and no entitlement to participate in any Employee Stock Option Scheme operated by the Company or any Subsidiary or Associate Company.



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8. In addition to the remuneration described above, the company will, for the period of their appointment, reimburse IDs for travel, hotel and other incidental expenses incurred by them in the performance of their role and duties.

Independent Professional Advice

9. There may be occasions when ID(s) considers that they need professional advice in furtherance of their duties as director and it will be appropriate for them to consult independent advisers. In such case with the prior approval of the Board, they may avail such services at the company's expense.

Conflict of Interest

10. It is accepted and acknowledged that IDs may have business interest other than those of the company. As a condition of appointment, IDs are required to declare any such directorships, appointments and interests to the board in writing in the prescribed form at the time of appointment.
11. In the event ID(s) 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 judgment that ID is independent, should be disclosed to both the Chairman & Managing Director and the Company Secretary.

Evaluation

12. The Board of Directors will carry out an evaluation of the performance of the Board as a whole, Board Committees and directors on an annual basis as per company's policy. IDs appointment and reappointment on the board shall be subject to the outcome of the yearly evaluation process.

Disclosure of Interest

13. Any material interest that ID(s) may have in any transaction or arrangement that the company has entered into should be disclosed not later than when the transaction or arrangement comes up at a board meeting at so that the minutes may record the ID(s) interest appropriately and Company's records are updated. A general notice that ID is interested in any contract with a particular person, firm or company is acceptable.



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Code of Conduct

14. During the tenure, ID(s) are required to comply with regulations as contained in Schedule IV under the Companies Act, 2013 including the following codes of conduct of the company:
 - a) Code of conduct for board of directors and senior management, and
 - b) Code of Conduct for Prevention of Insider Trading in Securities of the Company Confidentiality.
15. All information acquired by ID(s) during their appointment is confidential to the Company and should not be released, either during IDs appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman & Managing Director unless required by any law or regulatory body. On reasonable request ID(s) shall surrender any documents and other materials made available to them by the Company.
16. ID(s) should avoid making any statement(s) or performing any transaction(s) that might risk a breach of Code of Conduct for Prevention of Insider Trading in Securities of the Company without prior clearance from the Chairman & Managing Director.

Termination

17. ID may resign from his position at any time and if he wishes to do so, ID is requested to serve a reasonable written notice to the board. In terms of the provisions of the Companies Act, 2013, ID is required to file a copy of his Resignation Letter with Registrar of Companies, Mumbai, Maharashtra.
18. Appointment of IDs may be terminated in accordance with the provisions of the Articles of Association of the Company, from time to time in force or on failure to meet the parameters of independence as defined in section 149 or on the occurrence of any event as defined in section 167 of the Companies Act, 2013.
19. Upon termination or upon ID(s) resignation for any reason, duly intimated to the Company, ID will not be entitled to any compensation for loss of office.

General

20. These terms and conditions are subject to such changes/modifications as the Board may deem fit and proper and are also subject to such changes/modifications as may be required by /under any law.



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21. The appointment of IDs and any non-contractual obligations arising out of or in connection with appointment are governed by and shall be construed in accordance with the laws of India and the parties agree to submit to the exclusive jurisdiction of the courts of Nagpur.