

SANEH INDUSTRIAL INVESTMENTS LIMITED

The terms and conditions of appointment of Independent Directors are as follows:

1. TERM OF OFFICE:

Appointment is subject to approval by the Shareholders in the general meeting and receipt of consent to act as an Independent Director under the Companies Act, 2013 following which, it is anticipated that the appointment will be for an initial period of Five (5) years. You shall not be liable to retire by rotation as per the relevant provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Your appointment is subject to the provisions of Companies Act, 2013 regarding appointment, cessation, sitting fees, expenses, retirement, disqualification and removal of directors.

At any time that you resign by written notice. It is desirable that you give the Chairman reasonable forewarning of your intention to resign or to not seek re- appointment where that is possible so that the Company can plan for succession of skills and experience on the Board; and you may be required to vacate office for any reason pursuant to any of the provisions of the Companies Act, 2013; or

You may be removed as a director or otherwise required to vacate office under any applicable law and under the Article of Association of the Company.

Your performance as an Independent Director will be reviewed during your tenure with the Company in accordance with processes agreed by the Board from time to time. You agree to participate in such reviews.

2. ROLE, FUNCTION AND DUTIES:

As an Independent Director, you have the same general legal responsibilities to the Company as any other director but in terms of the provisions of Section 149 of the Companies Act, 2013, you will be held liable only in respect of such omission or commission which has occurred with your knowledge, attributable through Board processes, or with your consent or connivance or where you have not acted diligently. A copy of your role, functions and duties are attached for ready reference as **Annexure - I**.

The Board as a whole is collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs.

In addition to the above requirements for all Directors, you being an Independent Director shall abide by the Code for Independent Directors as laid down under Schedule IV of the Companies Act, 2013, or any amendments thereto.

3. Fiduciary position :

Directors being Trustees of the stake holders of the Company shall discharge their responsibilities upholding their fiduciary responsibilities or duties and also as specified under section 166 of the Companies Act, 2013, which in short are as under:

- a) To act within their powers, in good faith to promote the success of the Company.
- b) To exercise independent judgment, reasonable care, skill and diligence. - To avoid conflict of interest.
- c) Not to accept benefits from third parties, which are attributable consequent to your independent directorship of the Company.
- d) To declare interest in proposed transactions or arrangements.
- e) Not to assign his office

4. Code of conduct:

During the tenure of your appointment, you are required to comply with Schedule IV of the Companies Act, 2013 and all relevant regulations of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and other applicable regulations for the time being in force. You will also adhere to the code of conduct as may be notified by the Board of Directors of the Company for its directors and other employees, from time to time.

5. DISCLOSURES

You shall be required to submit certain information in the prescribed forms on a defined periodicity. Company Secretary shall be the co-ordinating officer for this purpose.

You are required to disclose to the Company your interests and any matters (excluding those matters which may be subject to legal professional privilege) which affect your independence.

During your tenure as an independent director you are required to give a declaration that you meet the criteria of independence every financial year as provided under Section 149 of the Companies Act, 2013 and SEBI (LODR) Regulations 2015.

6. DIRECTORS' FEES

You will be paid sitting fees for attending Board/ Committee meetings as may be fixed by the Board of Directors subject to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, as amended from time to time.

The Company shall reimburse you all traveling, hotel, and other incidental expenses properly and reasonably incurred by you in performance of duties as per provisions of the Companies Act, 2013 in conjunction with the Company rules and policies.

As an independent director you shall not be entitled to any stock option and shall not be covered by any pension scheme.

7. REVIEW

The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated and On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

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

You are 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.

9. CONFIDENTIALITY AND ACCESS TO COMPANY RECORDS

You must apply the highest standards of confidentiality and not disclose to any person or company any confidential information concerning the Company and any Group Companies with which you come into contact by virtue of your position as a Director.

Any confidential information which may come to your knowledge in the performance of your duties as a director of the Company must not be divulged, except so far as :

- a. the Company may from time to time authorise you to disclose such information as may be required by you with the condition that you will take all reasonable precautions as may be necessary to maintain the secrecy and confidentiality of all confidential information of the Company; or
- b. You may be required by law to disclose.

Annexure I

Power, duties and responsibility of Independent Director

A. PROFESSIONAL CONDUCT

As an Independent director of the Company, you shall:

- 1) uphold ethical standards of integrity and probity;
- 2) act objectively and constructively while exercising your duties;
- 3) exercise your responsibilities in a bona fide manner in the interest of the Company;
- 4) devote sufficient time and attention to your professional obligations for informed and balanced decision making;
- 5) not allow any extraneous considerations that will vitiate his exercise of objective Independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- 6) not abuse your position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- 7) refrain from any action that would lead to loss of your independence;
- 8) where circumstances arise which make you as an Independent Director lose your independence, you must immediately inform the Board accordingly;
- 9) assist the Company in implementing the best corporate governance practices.

B. ROLE AND FUNCTIONS

As an Independent director of the Company, you shall :

- 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;
- 2) bring an objective view in the evaluation of the performance of board and management;
- 3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- 4) satisfy yourself on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;

- 5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- 6) balance the conflicting interest of the stakeholders;
- 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;
- 8) Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

C. DUTIES

As an Independent director of the Company, you shall :

- 1) undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the Company;
- 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;
- 3) strive to attend all meetings of the Board of Directors and of the Board committees of which you are a member;
- 4) participate constructively and actively in the committees of the Board in which you are a chairperson or a member;
- 5) strive to attend the general meetings of the Company;
- 6) ensure that your concerns about the running of the Company or a proposed action are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- 7) keep yourself well informed about the Company and the external environment in which it operates;
- 8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
- 10) ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- 11) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;

- 12) acting within your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- 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.

D. Manner of appointment:

- 1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- 2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- 3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
- 4) The appointment of independent directors shall be formalised through a letter of appointment, which shall set out:
 - (a) the term of appointment;
 - (b) the expectation of the Board from the appointed director; the Board- level committee(s) in which the director is expected to serve and its tasks;
 - (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - (d) provision for Directors and Officers (D and O) insurance, if any;
 - (e) the Code of Business Ethics that the company expects its directors and employees to follow;
 - (f) the list of actions that a director should not do while functioning as such in the company; and
 - (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- 5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- 6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

E. Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation

F. Resignation or removal:

- 1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- 2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of three months from the date of such vacancy or not later than immediate next board meeting, whichever is later.
- 3) Where the company fulfills the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

G. Separate meetings:

- 1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
- 2) All the independent directors of the company shall strive to be present at such meeting;
- 3) The meeting shall:
 - (a) review the performance of non-independent directors and the Board as a whole;
 - (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
 - (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.