

## **Terms and Conditions of Appointment of Independent Directors of SHRADHA PROJECTS LIMITED**

[Pursuant to the provisions of Schedule IV to the Companies Act, 2013 (“the Act”) and Clause 49 of the Listing Agreement]

The broad terms and conditions of appointment of Independent Directors (ID) are reproduced hereunder:

### **1. Appointment**

The appointment as an ID on the Board will be effective from the <date of appointment> for a period of 5 (five) consecutive years. An ID will not be liable to retire by rotation. This tenure is subject to ID meeting the criteria for being an ID and not being disqualified to be a Director under the applicable regulations & also subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013 and the listing agreement.

ID will be eligible for re-appointment for another term as per the applicable regulations, subject to ID fulfilling the criteria for being an ID and not being disqualified to be a Director. The re-appointment shall be on the basis of report by the Board of Directors on performance evaluation of the ID. Further, The Company is at liberty to disengage Non Executive ID earlier subject to compliance of relevant provisions of Companies Act, 2013 and the Listing Agreement.

### **2. Board Committees for membership**

The Board of Directors (the Board) may, if it deems fit, invite ID for being appointed on one or more existing Board Committees or any such Committee that is set up in the future. ID appointment on such Committee(s) will be subject to the applicable regulations.

### **3. Familiarization of the Independent Directors**

The Company will familiarize the ID with nature of business of the Company, their roles, responsibilities, nature of the industry in which the company operates, business model of the Company etc.

### **4. Expectations, Role, Functions and Duties**

ID is expected to bring objectivity and independence of view to the Boards discussions and to help by providing effective inputs in relation to the Company’s strategy, performance and risk management, as well as ensuring high standards of financial probity and corporate governance. ID is also expected to observe and comply with applicable laws, the charter documents of the Company, rules regulations and policies of the Company, in relation to his/her directorship and the business of the Company.

The role, functions, duties and conduct of ID will be governed by applicable law, including the guidelines for professional conduct set out under the Code of Independent Directors provided in Section 149(8) read with Schedule IV of the Act, the duties of Directors as set out under Section 166 of the Act and the duties and responsibilities as set out under Clause 49 of the Listing Agreement.

## **5. Remuneration and Reimbursement of Expenses**

ID will be paid such remuneration by way of sitting fees for attending meetings of the Board, as may be decided by the Board from time to time in compliance with applicable law. The remuneration shall be subject to applicable taxes and the Company may withhold there from any amounts as are required to be withheld pursuant to applicable law. Any tax liability arising in respect of payments made pursuant to ID

Remuneration shall be borne solely by the ID.

In addition to the remuneration described above, the Company will reimburse the ID for travel, accommodation and other incidental expenses incurred in the performance of his/her role and duties.

## **6. Conflict of Interest**

It is accepted and acknowledged that ID may have directorships/ business interests other than those of the Company. As a pre-condition to appointment, ID is required to declare his/her directorships, appointments and interests to the Board in writing in the prescribed form. Thereafter, ID need to make additional/ fresh disclosures whenever there is a change or potential change in their disclosed interest and also annually before the commencement of each financial year. Additionally, ID shall also give an annual declaration that ID meet all the criteria for independence as specified in Section 149 of the Act.

## **7. Confidentiality**

All information in relation to the Company acquired by ID during appointment and tenure as an Independent Director is confidential and should not be disclosed to third parties unless required by law.

## **8. Mechanism for evaluating Board members**

The performance of individual ID will be evaluated by the Board of Directors, annually, without participation of the ID being evaluated. ID will participate in reviewing the performance of non-independent directors and the Board as a whole and other independent directors.

## **9. Independence**

The Board of Directors of the Company inter alia has given due consideration to ID declaration of being qualified as “independent” in accordance with the Companies Act, 2013 and the Listing Agreement with the Stock Exchange. ID are expected to continue to be qualified as ‘Independent’ during the tenure and provide periodic declaration to the effect as required by regulations. ID will be identified as ‘Independent Director’ in the Annual Report and other documents and publications of the Company. If circumstances change and ID believe it may not be possible for him/her to retain independence, he/she should discuss this with the Board of Directors as soon as possible.

## **10. Prohibition on Insider Trading and Code of Conduct**

ID is subject to and bound by the prohibition and restrictions against insider trading and disclosure of unpublished price sensitive information as prescribed under the Act and the regulations issued by the Securities and Exchange Board of India. He/she is prohibited from dealing in the Company's shares during the period when the trading window is closed. Further, Directors being designated officers of the Company for the purpose of insider trading guidelines are to pre-clear all trades (buy/sell/gift) from the Board of Directors of the Company and the Compliance officer. ID would have to strictly abide by the Code of Conduct for Prevention of Insider Trading of the Company under SEBI (Prohibition of Insider Trading Regulations 1992 (as amended or replaced from time to time)).

## **11. Governing Law and Jurisdiction**

The terms and conditions shall be constructed in accordance with the laws of India and subject to the exclusive jurisdiction of the Court of India.

## **12. Other Terms and Conditions**

### **a. Resignation/ Termination**

(i) ID may resign from his/her position at any time and should he/she wish to do so, a reasonable written notice is required to be served to the Board stating out the reason for resignation. Further, ID appointment may be terminated in accordance with applicable law.

(ii) Continuation of ID appointment is contingent on his/her willingness to continue as an independent Director and getting re-appointed by the shareholders in accordance with applicable law. ID will not be entitled to compensation in case the shareholders of the Company do not re-appoint him/her at any time.

### **b. Liability**

Subject to applicable law, for any breach of any duties, ID will be liable to consequence prescribed under applicable law and in relation to the Company, he/she would be liable for such acts of omission or commission by the Company which had occurred with ID knowledge, attributable through Board processes, and with ID consent or connivance, or where ID have not acted diligently.

## **13. Miscellaneous**

a. ID appointment is also subject to the maximum permissible directorships that one can hold under applicable law, including as per the provisions of the Act and the Listing Agreement.

b. ID will not be in employment of the Company.

c. ID will be invited to attend training and familiarization sessions, including briefings from management and site visits.