



**SHIRDI SAI ELECTRICALS LIMITED**  
(CIN: U31401TG2010PLC069777)



**Terms and conditions of appointment/re appointment of  
Independent Directors of the Company in accordance with the  
requirements of Schedule IV to the Companies Act, 2013**  
SHIRDI SAI ELECTRICALS LTD

## SHIRDI SAI ELECTRICALS LIMITED

### Terms and conditions of appointment/re appointment of Independent Directors of the Company in accordance with the requirements of Schedule IV to the Companies Act, 2013

#### DOCUMENT VALIDATION NOTE

Shirdi Sai Electricals Limited, incorporated under the provisions of the Companies Act 1956, and having its Registered Office situated G Pulla Reddy Sweets Building, 3<sup>rd</sup> Floor, # 6-3-8-879/B, Greenland Road, Begumpet, Hyderabad – 500016, Telangana (the Company), has formulated and adopted this Terms and conditions of appointment/re appointment of Independent Directors of the Company in accordance with the requirements of Schedule IV to the Companies Act, 2013.

Accordingly, on the recommendation of the NRC Committee, this Policy was approved by the Board of Directors of the Company at its meeting held on 30.09.2023, and deemed to have come into effect from 30.09.2023.

TITLE	PARTICULARS
Version	1.0
Reviewing Authority	Nomination & Remuneration Committee of Directors
Approving Authority	Board of Directors of the Company
Document Status	Approved
Effective date	30.09.2023
Review cycle	As recommended by the NRC Committee.

## SHIRDI SAI ELECTRICALS LIMITED

### Terms and conditions of appointment/re appointment of Independent Directors of the Company in accordance with the requirements of Schedule IV to the Companies Act, 2013

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## **Terms and conditions of appointment/re appointment of Independent Directors of the Company in accordance with the requirements of Schedule IV to the Companies Act, 2013**

In accordance with the requirements of Schedule IV to the Companies Act, 2013, the terms and conditions of appointment of the Company's Independent Directors are reproduced hereunder:

### **1. Appointment**

**1.1.** The term Independent Director should be construed as defined under the Companies Act, 2013.

**1.2.** The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. The Company is at liberty to disengage Non Executive Independent Director earlier subject to compliance of relevant provisions of Companies Act, 2013.

### **2. Board Committees**

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

### **3. Time Commitment**

**3.1.** An Independent Director is 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.

### **4. Role, Functions, Responsibilities and Duties of Directors**

Independent Director is expected to act at all times in the best interests of the Company, exercising independent judgement on all matters. Independent Directors have the same general legal responsibilities to the Company as any other director. The Board as a whole is collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs.

The role and duties will be those normally required of an Independent Director 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:

- I. They shall act in accordance with the Company's Articles of Association.
- II. They 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.
- III. They shall discharge duties with due and reasonable care, skill and diligence.
- IV. They 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. Please refer to clause 6 for full explanation on conflict of interest.
- V. They shall not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners or associates.
- VI. They shall not assign their office as Director and any assignments so made shall be void.

In addition to the above requirements applicable to all Directors, the role of the Independent Director has the following key elements:

**Strategy:** Independent Directors should constructively challenge and help develop proposals on strategy;

**Performance:** Independent Directors should scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;

**Risk:** Independent Directors should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;

**People:** Independent Directors are responsible for determining appropriate levels of remuneration of Executive Directors and have a prime role in appointing, and where necessary, removing Executive Directors and in succession planning;

**Stakeholders:** Independent directors to balance the conflicting interest of the stakeholders, including minority shareholders. In the event of any conflict, they shall moderate and arbitrate in the interest of the Company as a whole.

**ESG:** Independent directors to contribute to the ESG strategy.

## **5. Remuneration and Fees**

**5.1.** They will not be an employee of the Company and this appointment shall not constitute a contract of employment.

**5.2.** As an Independent Director, subject to the Applicable Laws and necessary approval(s), they 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 from time to time. Further, they may also be paid remuneration by way of commission as may be approved by the Board and the Shareholders from time to time.

5.3. The maximum sitting fees payable to the Independent Director shall not exceed Rs. 1,00,000/- per meeting of the Board.

5.4. The payment of aforesaid fees and commission shall be after deduction of appropriate taxes as per the law for the time being in force.

5.5. In addition to the above, the Company will, for the period of their appointment, reimburse them reasonable expenses incurred in the discharge of their roles/duties including travel, accommodation and out of pocket expenses.

## **6. Conflict of Interest**

6.1. It is accepted and acknowledged that they may have business interests other than those of the Company. As a condition to their appointment commencing, they are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of their appointment.

6.2. During the tenure as Independent Director of the Company they shall not, without the consent of the Board, which shall not be withheld unreasonably, be engaged or interested in any capacity in any business or with any company which is, in the reasonable opinion of the Board, competitive with the business of the Company or any of its affiliates.

6.3. In the event that their 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 judgement that they are independent, this should be disclosed to both the Chairman and the Secretary.

6.4. It is expected that they will not serve on the boards of competing companies.

## **7. Confidentiality**

All information acquired during their tenure of directorship is confidential and should not be disclosed, either during their tenure or following termination (by whatever means) to third parties without prior clearance from the Chairman, unless required by law or by the rules of any stock exchange or regulatory body. In the latter case, they would be required to suitably inform the Chairman of such an event or disclosure. They should direct any media queries or approaches to the appropriate spokesperson within the Company. On reasonable request, they shall surrender any documents and other materials made available to them by the Company.

Attention is also drawn to the requirements under Applicable Laws as to the disclosure of inside information. Consequently, they should avoid making any statements that might risk a breach of these requirements without prior clearance from the chairman of the Company. Please note that all media enquiries concerning the Company must be referred immediately to the chairman or company secretary of the Company.

## **8. Resignation and Termination**

**8.1.** They may resign from their position by giving a written notice of 3 months addressed to the Company. Such resignation shall be effective from the date as may be specified in the notice.

**8.2.** The Company may terminate this arrangement by giving a written notice of 3 months.

**8.3.** Continuation of their appointment is contingent on them getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013 and the Articles of Association of the Company, from time to time in force. They will not be entitled to compensation if the shareholders do not re-elect them at any time.

## **9. Illness or Incapacity**

If they are prevented by illness or incapacity from carrying out duties for a period exceeding 6 consecutive calendar months or if they become prohibited by law or under the Articles of the Company from being an Independent Director of the Company, then the Company may terminate their appointment immediately.

## **10. Return of Company Property**

They shall agree that upon their cessation/ termination as an Independent Director, they will immediately deliver to the Company all property belonging to the Company or any member of its Group, including all documents or other records made or compiled or acquired during their appointment concerning the business, finances or affairs of the Company.

## **11. Governing Law**

This agreement is governed by and will be interpreted in accordance with Indian law and your engagement shall be subject to the jurisdiction of the Indian courts.

The Company has a right to change the terms of this letter from time to time in accordance with the Applicable Laws.

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