

# SHYAM METALICS AND ENERGY LIMITED

## TERMS AND CONDITIONS FOR APPOINTMENT OF INDEPENDENT DIRECTORS

**To,  
Independent Director**

**Sub: Terms and Conditions for appointment as an Independent Director of the Company**

**Dear Sir/Madam,**

I am pleased to inform you that the Board of Directors of the Company in its meeting held on ....., appointed you as an ..... of the Company in Independent Category for a term of ..... consecutive year w.e.f. .... till ..... subject to the approval of the Shareholders of the Company.

This letter sets out the basic terms of your appointment as an Independent Director, your relationship with the Company will be that of an office holder and not one of contract for employment in the Company.

The Company has adopted the provisions in respect to appointment and terms of Independent Directors, which is in consistent with the Companies Act, 2013 read with the Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

The terms and conditions of the appointment, which shall be subject to the provisions of the Articles of Association, are as follows:

**(1) Terms of Appointment:**

(a) In order to align your appointment with the provisions of Section 149 of the Companies Act, 2013 read with Schedule IV, you are appointed as Independent Director on the Board of Directors of the Company for a term of ..... consecutive years w.e.f. .... till .....and you will not be liable to retire by rotation.

(b) The appointment may be terminated by the Company at any time as per provisions of the Articles of Association or the provision(s) of the Companies Act, 2013.

(c) However, upon termination or upon your resignation for any reason, you will not be entitled to any damages for loss of office and fee will be payable for unexpired portion of the term of appointment.

**(2) Board’s expectation:**

The Board expect sufficient time from you to meet the expectations of your role. You will devote such time as is required by you to discharge your responsibility as Independent Director.

The Board may appoint you as a member of any Committee/Chairman of any Committee as the Board may deem fit based on your availability and eligibility.

### **(3) Fiduciary duties and liabilities:**

In discharge of your duties as a Director of the Company, you are expected to take care of the following:

- (a) You will act in accordance with the provisions of Articles of Association of the Company.
- (b) You will act in good faith in order to promote the objects of the Company.
- (c) You will exercise your duties with due and reasonable care, skill and diligence and shall exercise independent judgement.
- (d) You will regularly update your knowledge and skills.
- (e) You will notify the Company of any change in your Directorships and provide such disclosures and information as may be required under the applicable laws.
- (f) During your term, you will promptly provide a declaration upon change in circumstances which may affect your status as an Independent Director.
- (g) During the term, you will promptly intimate the Company of any change in address or other contact and personal details provided to the Company.
- (h) You will strive to attend all meetings of the Board of Directors and its Committees thereof.
- (i) You will try to attend the General Meetings of the Company.
- (j) Not to unfairly obstruct the functioning of the Board of Directors and its Committees thereof.
- (k) To ascertain that the Company has effective vigil mechanism and to ensure that interests of the persons who use vigil mechanism are not prejudicially affected.
- (l) To act within your authority to assist in protecting the legitimate interests of the Company and its various stakeholders.
- (m) Not to disclose confidential information, plans, commercial secrets, projections etc., unless such disclosure is expressly approved by the Board of Directors.
- (n) As a Non-Executive Director on the Board, you will be subject to all relevant provisions of the Companies Act.

### **(4) Director and Officers Insurance:**

The Company has availed a Directors and Officers Insurance Policy which extends to the Company, and all of its directors. Quantum, risks determined and other parameters provided in the Policy have been found to be commensurate with the size and nature of the business of the Company by the Board of Directors.

The said Policy shall be extended to you from the date of your appointment.

### **(5) Your liabilities:**

You will be liable as an Officer-in-default in respect of contravention of any provisions of the Companies Act, 2013 which you are aware by virtue of the receipt by you of any proceedings of the Board or participation in such proceedings without objecting to the same, or where such contravention had taken place with your consent or connivance.

In this regard, please note that if a Director contravenes the provisions of Section 166 of the Companies Act which lays down duties of Directors, such Director shall be punishable with fine which shall not be less than Rs. 1,00,000/- which may extend to Rs. 5,00,000/-.

**(6) Various codes of the Company:**

You are requested to adhere with the Code of Conduct and Business ethics of the Company for its Directors and Senior Management Executives. You are also requested to adhere with the Company's Code of Conduct for Prevention of Insider Trading and Vigil Mechanism/ Whistle Blower Policy. You are also expected to abide by the Code for Independent Directors as per Schedule IV of the Companies Act, 2013.

**(7) Actions which you should not indulge to:**

(a) You will not make any undue gain, Income, Profit or advantage either to yourself or to your relatives, partners, or associates and if you are found guilty of making any undue gain, you will liable to refund the same to the Company.

You will not involve in a situation in which you may have a direct or indirect interest that conflicts with the interest of the Company.

**(8) Remuneration:**

You will be remunerated by way of sitting fees for attending the meetings of the Board and its Committees thereof and reimbursement of expenses for participation in the Board and other meetings. You will not be entitled to any other remuneration and not be entitled to any bonus and no entitlement to any pension scheme.

**(9) Review process:**

The Board will review the performance on an annual basis.

**(10) Publication of terms of this letter:**

In terms of requirements, the Company will publish the basic terms of this letter of appointment on its website.

**(11) Confidentiality:**

You are expected to apply highest standards of ethics and confidentiality and not to disclose (during the course of appointment or at any time thereafter) any confidential information concerning the Company and its Group Companies which you come to know by virtue of your position as an

Independent Director. You are also to adhere to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended in respect of disclosure of price-sensitive information.

We are confident that the Board and the company will benefit immensely from your rich experience and eager to have you as an integral part of the growth of our Company.

Please sign a copy of this letter as a token of your acceptance.

Thanking you,

Yours faithfully,

**For Shyam Metals and Energy Limited**

**Director**