



**TERMS AND CONDITIONS OF APPOINTMENT OF
INDEPENDENT DIRECTORS**

OF

S.J.S. ENTERPRISES LIMITED

Terms of Appointment:

The appointment on the Board of Directors of the Company as an Independent Director is effective for a period of 5 consecutive years from the date of his/her appointment.

Appointment of every Independent Director shall be approved by Members of the Company.

The Independent Director will not be liable to retire by rotation.

Independent Directors will be eligible for re-appointment for another term of 5 consecutive years, after the completion of their tenure of first 5 years, subject to Board approval, and the passing of a Special Resolution by Members

Roles, Duties & Responsibilities:

As member of the Board the Independent Director along with the other Directors will be collectively responsible for meeting the objectives of the Board.

The Independent Director shall abide by the Code for Independent Directors' of the Company and duties as provided in the Companies Act 2013 including as provided in Section 166 of the Companies Act, 2013 (“Code”). The present Code is annexed hereto as **Annexure A**.

The Independent Director will also be responsible for providing guidance in the area of their expertise.

Committees:

The Board of Directors may invite the Independent Director for being appointed on one or more of the Board Committees or any Committee(s) that may be set up in the future. The appointment on such Committee(s) will be subject to the applicable legal requirements.

Remuneration:

The Independent Director shall be paid sitting fees for attending the meetings of the Board and the Committees of Board of which the Independent Director is a member.

The Independent Director will be entitled to reimbursement of actual out of pocket expenses incurred for attending the Board Meeting, Committee(s) Meeting and for all official work of the Company which the Independent Director is required to perform as an Independent Director of the Company.

The Independent Director may be paid remuneration by way of commission as may be approved by the Board and the Shareholders from time to time.

The Independent Director will not be entitled to any stock options.

Termination:

Independent Directors may resign from their position at any time and if they wish to do so, they are requested to serve a reasonable written notice on the Board.

The appointment may be terminated in accordance with the provisions of the Articles of Association of the Company or on failure to meet the parameters of independence as defined in section 149(6) or on the occurrence of any event as defined in section 167 of the Companies Act, 2013.

The Independent Director is required to submit a declaration in the beginning of every financial year during the tenure under section 149 (7) of the Companies Act, 2013 stating they meet the criteria of independence.

Upon termination or upon resignation for any reason, duly intimated to the Company, Independent Director shall not be entitled to any compensation for loss of office

Insurance:

The Company has Directors' and Officers' liability insurance and it will maintain such cover for the full term of the Independent Director appointment.

Miscellaneous:

An Independent Director shall not serve as an Independent director in more than seven listed companies as may be stipulated by the Listing Agreement or any other law of the land, for the time being in force.

Further, an Independent Director who is serving as a whole time director in any listed company shall not serve as an Independent director in more than three listed companies or such number of listed companies as may be stipulated by the Listing Agreement or any other law of the land, for the time being in force

Annexure A

Schedule IV of Companies Act, 2013

[See section 149(8)]

ROLE, DUTIES AND FUNCTIONS OF INDEPENDENT DIRECTORS:

Guidelines of professional conduct:

An independent director shall:

- (a) uphold ethical standards of integrity and probity;
- (b) act objectively and constructively while exercising his/her duties;
- (c) exercise his/her responsibilities in a bona fide manner in the interest of the Company;
- (d) devote sufficient time and attention to his/her professional obligations for informed and balanced decision making;
- (e) not allow any extraneous considerations that will vitiate his/her 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;
- (f) not abuse his/her 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;
- (g) refrain from any action that would lead to loss of his/her independence;
- (h) where circumstances arise which make an independent director lose his/her independence, the independent director must immediately inform the board of directors of the Company accordingly; and
- (i) assist the company in implementing the best corporate governance practices.

Role and functions:

An independent director shall:

- (a) 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;
- (b) bring an objective view in the evaluation of the performance of Board and management;
- (c) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (d) satisfy themselves on the integrity of financial information and that of financial controls and the systems of risk management are robust and defensible;
- (e) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (f) balance the conflicting interest of the stakeholders;

- (g) determine appropriate levels of remuneration of executive directors and Senior Management Personnel and have a prime role in appointing and where necessary, recommend removal of executive directors and the Senior Management Personnel; and
- (h) moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

Duties

The independent directors shall:

- (a) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- (b) 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;
- (c) strive to attend all meetings of the Board and of the committees of the Board, which the independent director(s) is a member of;
- (d) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (e) strive to attend the general meetings of the Company;
- (f) where they have concerns about the running of the Company or a proposed action, ensure that these 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 meeting of Board;
- (g) keep themselves well informed about the Company and the external environment in which it operates;
- (h) not to unfairly obstruct the functioning of an otherwise proper the Board or committees of the Board;
- (i) 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;
- (j) ascertain and ensure that the Company has an adequate and functional Whistle Blower Policy and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- (k) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy, if any;
- (l) acting within his/her authority, assist in protecting the legitimate interests of the Company, shareholders and its employees; and
- (m) 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.