

# **SHIVAM AUTOTECH LIMITED**

## **TERMS AND CONDITIONS FOR THE APPOINTMENT OF INDEPENDENT DIRECTOR**

### **Duration of Appointment**

The appointment is for a term of five years commencing from the date of the 9<sup>th</sup> Annual General Meeting for a term upto the conclusion of 14<sup>th</sup> Annual General Meeting of the Company in the Calendar year 2019 subject to approval at the ensuing Annual General Meeting. As an Independent Director you will not be liable to retire by rotation.

Reappointment at the end of the Term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the shareholders.

Your reappointment would be considered by the Board based on the outcome of the performance evaluation process and your continuation to meet the independence criteria.

Committees Details: the Details of the Committees in which the Directors are member needs to be mentioned.

### **Code of Business Ethics**

You shall:

- (1) uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising duties;
- (3) exercise responsibilities in a bona fide manner in the interest of the company;
- (4) devote sufficient time and attention to professional obligations for informed and balanced decision making. You are expected to make yourself available for all regular & emergency Board Meeting, Committee Meeting and the General Meetings.
- (5) not allow any extraneous considerations that will vitiate 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 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 in which you lose your independence, you must immediately inform the Board accordingly;
- (9) assist the company in implementing the best corporate governance practices.

### **Duties:**

As an Independent Director you have the same general legal responsibilities to the Company as any other Director, such as you shall:

- Act in accordance with the articles of the Company
- 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 interests of the company, its employees, the shareholders etc.

- Exercise your duties with due and reasonable care, skill and diligence and shall exercise independent judgement;
- Not involve in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company;
- Not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates and if found guilty of making any undue gain, you shall be liable to pay an amount equal to that gain to the company;
- Not assign your office.

You shall:-

- (1) undertake appropriate induction and regularly update and refresh 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 chairpersons or members;
- (5) strive to attend the general meetings of the company;
- (6) where you 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 the 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 the 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.

**Role and functions:**

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) scrutinize 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.

Following action should not be done by you during the service time:

- (1) All information acquired during your appointment is confidential to the Company and should not be disclosed to third parties or used for any reason other than in the interests of the Company, either during your appointment or following termination (by whatever means), without prior clearance from the Board of Directors.
- (2) Your attention is also drawn to the requirements under both legislation and regulation as to the disclosure of inside information. Consequently you should avoid making any statements that might risk a breach of these requirements without prior clearance from the Board of directors.

**External Advice:**

In order to enable you to carry out the duties of your office, you will after consultation with the Chairman, if that is practicable (and, if appropriate, jointly with other Non-Executive and Independent Directors whose interest are the same as yours) be entitled to seek appropriate clarification or amplification of information and where necessary, take and follow appropriate professional advice and opinion of outside experts at the expenses of the Company.