

SK MINERALS & ADDITIVES LIMITED

**TERMS AND CONDITION OF
APPOINTMENT FOR
INDEPENDENT DIRECTORS**

BACKGROUND

The terms and conditions of appointment of the Independent Directors are subject to the provisions of the following:

- a. applicable laws, including section 149, 150, 152 and Schedule IV of the Companies Act, 2013 (“**Act**”),
- b. the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) and
- c. Articles of Association of the Company.

The broad terms and conditions of their appointments as Independent Directors (“ID’s”) of the Company are set forth hereunder:

1. APPOINTMENT

- 1.1. The appointment will be for the period mentioned against their respective names (“**Term**”). The Company may remove Independent Directors prior to completion of the Term subject to compliance of relevant provisions of the Companies Act 2013 and Articles of Association of the Company.
- 1.2. The word “Term” should be construed as defined under the Act and the SEBI LODR Regulations. The Company has adopted the provisions with respect to appointment and terms of Independent Directors, which is in consistent with the Act and the SEBI LODR Regulations.
- 1.3. Re-appointment for the second term shall be based on the recommendation of the Nomination & Remuneration Committee and subject to approval of the Board and the Shareholders. The re-appointment would be considered by the Board, based on the outcome of the performance evaluation process and continuing to meet independence criteria.
- 1.4. An Independent Director shall serve for a maximum of 2 (two) terms of upto 5 (five) years each on the Board of the Company as prescribed under the Act. However, such director shall be eligible for appointment after the expiration of three years after ceasing to become an Independent Director.

2. COMMITTEES

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

3. TIME COMMITMENT

- 3.1. Being a Non-Executive Director, ID’s are 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. The Board meets at least 04 (Four) times in a year. The Audit Committee also meets at least 04 (Four) times in a year. Besides, there are other Committees under the requirement of the Act. ID’s will be expected to attend Board as well as the Committee meetings, in which they may be appointed, and Shareholders meetings and to devote such time to their duties, as appropriate for them to discharge their duties effectively. Ordinarily, all meetings are held at the registered office.
- 3.2. By accepting the appointment, ID’s confirm that they are able to allocate sufficient time to meet the expectations from their role to the satisfaction of the Board.

4. ROLE AND DUTIES

The role and duties of ID's will be those normally required of a Non-Executive Independent Director under the Act and the Listing Regulations. There are certain fiduciary duties prescribed for all Directors, both Executive and Non-Executive, as specified under Section 166 of the Act, outlined as follows:

- 4.1. ID's shall act in accordance with the Company's Articles of Association.
- 4.2. ID's 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.
- 4.3. ID's shall discharge their duties with due and reasonable care, skill and diligence.
- 4.4. ID's will abide by the guidelines of professional conduct, role, function and duties as an Independent Directors provided in Schedule IV of the Companies Act, 2013
- 4.5. ID's are expected to stay updated on how best to discharge their roles, responsibilities and duties and liabilities, as an Independent Director of the Company under applicable law, including keeping abreast of current changes and trends in economic, political, social, financial, legal and corporate governance practices.
- 4.6. ID's 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.
- 4.7. ID's shall not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners or associates.
- 4.8. ID's shall not assign their office as Director and any assignments so made shall be void.
- 4.9. ID's will not hold office as a Director or any other office in a competing firm/ entity.

In addition to the above requirements, the IDs are also required to discharge the duties, roles and functions as applicable to Independent Directors as stated under Schedule IV to the Act, as in force and as may be amended from time to time. While performing such duties, roles and functions, you will be required to abide by the 'Guidelines of Professional Conduct' as stated under the said Schedule.

5. INDEPENDENT DIRECTORS' FEES/ REMUNERATION

A sitting fee may be paid to the Independent Director for attending each meeting of the Board as well as the Committee meetings, as may be decided by the Board from time to time in accordance with the limits prescribed under the Act and rules made thereunder.

In addition to the sitting fees, profit-related commission or the payments made in accordance with the provisions of section 197 read with schedule V of the Act, may also be payable to Independent Director, as may be approved by the Board and the shareholders from time to time. In determining the amount of this commission, the Nomination and Remuneration Committee and the Board may consider various factors as disclosed in the remuneration policy forming part of the Board Report. An indicative list of the factors that may be considered are as follows:

- a. Board Meeting participation and Committee meeting participation.
- b. Chairmanship of the Board or Committee thereof.
- c. Guidance and Support provided to the management outside the Board Meetings.
- d. Industry practices and standards; and
- e. Performance of the Company.

In addition to the sitting fees, the Company may pay / reimburse to any Director such fair and actual reasonable expenditure, as may have been incurred by the Director while performing his / her role as a Director of the Company.

6. REIMBURSEMENT OF EXPENSES

In addition to the remuneration described in clause 5 the Company will, for the period of their appointment, reimburse for travel, hotel and other incidental expenses incurred by the ID's in the performance of their role and duties.

7. DISCLOSURES, OTHER DIRECTORSHIPS AND BUSINESS INTERESTS

During the Term, they agree to promptly notify the Company of any change in their directorship and provide such other disclosures and information as may be required under the applicable laws. They also agree that upon becoming aware of any potential conflict of interest with their position as Independent Directors of the Company, they shall promptly disclose the same to the Chairperson and the Company Secretary. During their Term, they agree to promptly provide a declaration under Section 149 (7) of the Act, upon any change in circumstances which may affect their status as an Independent Director.

8. TRAINING AND DEVELOPMENT

The Company may, if required, conduct formal training program for its Independent Directors. The Company may, as may be required, support Directors to continually update their skills and knowledge and improve their familiarity with the Company and its business. The Company will fund/ arrange for training on all matters which are common to the whole Board.

9. PERFORMANCE APPRAISAL/ EVALUATION PROCESS

As members of the Board, their performance as well as the performance of the entire Board and its Committees will be evaluated annually. The evaluation of each Director shall be done by all the other Directors. The criteria for evaluation shall be determined by the Nomination & Remuneration Committee and disclosed in the Company's Annual Report. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board/ Committee.

10. INDEPENDENT PROFESSIONAL ADVICE

There may be occasions when the Directors consider that the ID's need professional advice in the furtherance of their duties as a Director and it will be appropriate for them to consult independent advisers at the Company's expense. The Company will reimburse the full cost of expenditure incurred in accordance with the Company's policy.

11. CODE OF CONDUCT

- 11.1. As Independent Directors of the Company, they agree to comply with the Code of Conduct Policy of the Company.
- 11.2. Unless specifically authorized by the Company, they shall not disclose information related to the Company and its business to constituencies such as the media, financial community, employees, shareholders, agents, franchisees, dealers, distributors and importers.
- 11.3. Their obligation of confidentiality shall survive cessation of their respective directorships with the Company.
- 11.4. The provisions of both, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Code of Conduct on Prevention of Insider Trading, prohibiting disclosure or use of unpublished price sensitive information, would be applicable to the Independent Directors.

- 11.5. Additionally, they shall not participate in any business activity which might impede the application of their independent judgment in the best interest of the Company.
- 11.6. All Directors are required to sign a confirmation of acceptance of the Code of Conduct Policy as adopted by the Board on annual basis.

12. CHANGE OF PERSONAL DETAILS

During the term, the Independent Director shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

13. CONFIDENTIALITY

All information acquired during the appointment is confidential to the Company and should not be released, either during the appointment or following cessation (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. On reasonable request, Director shall surrender any documents and other materials made available to them by the Company. Attention is also drawn to the requirements under the applicable regulations and the Sequent Insider Trading Code which is concerned with the disclosure of price sensitive information and dealing in the securities of Sequent. Consequently, director should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Chairman or the Company Secretary. Unless specifically authorized by the Company, the Independent Director shall not disclose Company and business information to public constituencies such as the media, the financial community, employees, members, agents, franchises, dealers, distributors and importers.

14. CESSATION

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. Continuation of their appointment is contingent on getting re-elected by the members in accordance with provisions of the Act, the Rules framed thereunder and the Articles of Association of the Company, from time to time in force. They will not be entitled to compensation if the members do not re-elect them at any time. Their appointment may also be dispensed with in accordance with the provisions of the Act & Articles of Association of the Company. No ID, who resigns from the Company, shall be appointed as an executive / whole time director on the board of the Company, its holding, subsidiary or associate company or on the board of a company belonging to its promoter group, unless a period of one year has elapsed from the date of resignation as an independent director.

15. TERMINATION

- 15.1. ID's directorship on the Board of the Company shall terminate or cease in accordance with law. Apart from the grounds of termination as specified in the Act, ID's directorship may be terminated for violation of any provision of the Code of Conduct of the Company.
- 15.2. IDs may resign from the Directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation. The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by IDs in the notice, whichever is later.
- 15.3. If, at any stage during the Term, there is a change that may affect your status as an Independent Director as envisaged in Section 149(6) of the Act, or if applicable, you fail to meet the criteria for

“independence” under the provisions of Regulation 16(b) of Listing Regulation you agree to promptly submit your resignation to the Company with effect from the date of such change.

16. REMOVAL

Removal of an Independent Director from the board of the company shall be approved by the members of the company by way of passing Special Resolution.

17. COOPERATION

In the event of any claim or litigation against the Company, based upon any alleged conduct, act or omission on the ID’s part during their Term, the IDs agree to render all reasonable assistance and cooperation to the Company and provide such information and documents as are necessary and reasonably requested by the Company or its counsel.

18. DISSEMINATION OF THE POLICY

This Policy and any amendments thereto shall be published/ posted on the website of the Company.
