

Shantai Industries Limited

Terms & Conditions for appointment of Independent Directors

Pursuant to the provisions of Section 149, 150 and 152 of the Companies Act, 2013 (“Act”), the terms and conditions for the appointment of Independent Directors are as follows:

The terms of your appointment, as set out in this letter, are subject to the extent provisions of the applicable laws, including the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company.

1. Appointment and Term thereof

Appointment as an Independent Director on the Board of Directors (Board) of Shantai Industries Limited will be for an initial term up to Five (5) consecutive years, unless terminated earlier or extended, as per the provisions of this letter or applicable laws. The word “term” should be construed as defined under the act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has adopted the provisions with respect to appointment and term of Independent Directors, which is in consistent with the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Re-appointment for the second term shall be based on recommendation of the Nomination & Remuneration Committee and subject to approval of the Board and the shareholders. Your re-appointment would be considered by the Board, based on the outcome of the performance evaluation process and continuing to meet independence criteria.

2. Board Committee

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

They are expected to attend Board Meetings, Board Committees Meetings, to which they may be appointed and Shareholders’ Meetings and to devote such time to their duties as deemed appropriate for discharge of their duties effectively.

Ordinarily all meetings are held in Surat, unless determined otherwise.

Recommendations / Minutes of the Meetings of the Committees are submitted to the Board for approval.

3. Role, Duties and Responsibilities

Role and duties will be those normally required of a Non-Executive Independent Director under the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are certain duties prescribed for all Directors, both Executive and Non-Executive Directors, which are fiduciary in nature and the same are specified under Section 166 of the Act.

In addition the above requirements, you 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

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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.

4. Additional Applicable Statutory Requirements

As a Non-Executive Director on the Board, they will be subject to all relevant provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

5. Code of Conduct

They will follow the Code of Conduct of the Company and furnish annual affirmation the same. They will apply the highest standards of confidentiality and not disclose to any person or Company (whether during the course of the tenure as Independent Director or at any time after its cessation) any confidential information concerning the Company including any subsidiary or associate thereof, except as permitted by law or with prior clearance from the Chairman of the Board.

We would also like to draw your attention to the applicability of Securities & Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992 (as enclosed), which inter-alia prohibits disclosure or use of unpublished price sensitive information. You should not make any statement(s) that might risk a breach of the requirements specified under the said statute unless the same is required under any law or the same is required for the purpose of compliance of any Director, order, etc. issued /given by any judicial authority. Additionally, you shall not participate in any business activity which might impede the application of your independent judgment in the best interest of the Company.

6. Induction and Development

The Company shall, if required, conduct formal induction program for its Independent Directors.

The Company shall, 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.

7. Performance Appraisal/Evaluation Process

As a member of the Board, performance shall be evaluated annually. Evaluation 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.

8. Disclosure, other Directorship and Business Interests

During the term, you agree to promptly notify the Company of any change in the directorships, if any in other Companies and provide such other disclosure and information as may be required under the applicable laws. They also agree that upon becoming aware of any potential conflict of interest with the position as Independent Director of the Company, they shall promptly disclose the same to the company. Please confirm that as on date of this letter, they have no such conflict of interest issues with your existing Directorships, if any.

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During your term, they agree to promptly provide a declaration under section 149(7) of the Act, upon any change in circumstances which may affect status as an Independent Director.

9. Changes of personal details

During the term, they will promptly intimate the company and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the company.

10. Fees/Remuneration

They will be paid such remuneration by way of sitting fees for attending the meetings of the Board and the committees as may be decided by the Board for time to time, subject to approval of the members if required.

Further, the company may pay or reimburse actual travel and out of pocket expenses, as may have been incurred while performing their role as an Independent Director of the company.

11. Termination

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, your Directorship may be terminated for violation of any provision of the Code of Conduct of the company.

They 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 company or the date, if any, specified by you in the notice, whichever is later.

If, at any stage during the term, there is a change that may affect status as an Independent Director as envisaged as section 149(6) of the Act, or if Applicable, you fail to meet the criteria for "independence" under the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, agree to promptly submit resignation to the company with effect from the date of such change.

12. Cooperation

In the event of any claim or litigation against the company, based upon any alleged conduct, act or omission on their part during the term, 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.

13. Governing Law

This document is governed by and will be interpreted in accordance with India Law and engagement shall be subject to the jurisdiction of the Indian Court. If they are willing to accept these terms of appointment relating to your appointment as a Non-Executive Independent Director of Shantai Industries Limited, kindly confirm your acceptance of these terms by signing and returning to us the enclosed copy of this letter.

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14. Miscellaneous

- This letter represents the entire understanding, and constitutes the whole agreement, in relation to your appointment and supersedes any previous agreement between the Independent Director and the company with respect thereto and without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom.
- No waiver or modification of this letter shall be valid unless made in writing and signed by the Independent Director and the company.