

SHREE REFRIGERATIONS LIMITED

TERMS AND CONDITIONS FOR APPOINTMENT OF INDEPENDENT DIRECTORS



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1. INTRODUCTION

Shree Refrigerations Limited, a public limited listed company in India, is committed to upholding the highest standards of corporate governance and ethical conduct. In compliance with Section 149(8) read with Schedule IV of the Companies Act, 2013 and Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of Shree Refrigerations Limited has adopted these terms and conditions for the appointment of Independent Directors (**'Terms of Appointment'**).

2. DEFINITIONS

Unless the context otherwise requires, words and expressions used in the Terms of Appointment and not defined herein but defined in the Act and Listing Regulations as may be amended from time to time shall have the same meaning respectively assigned to them therein.

2.1. **'Act'** shall mean the Companies Act, 2013 as amended from time to time.

2.2. **'Applicable Laws'** shall mean and include the Act, the Listing Regulations and other laws as may be applicable to the Company from time to time.

2.3. **'Board'** shall mean the Board of Directors of the Company as appointed from time to time.

2.4. **'Company'** shall mean Shree Refrigerations Limited.

2.5. **'Director'** shall mean director of the Company.

2.6. **'Independent Director'** means a director referred to in Section 149(6) of the Act and rules thereunder, and Listing Regulations.

2.7. **'Listing Regulations'** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

2.8. **'NRC'** shall mean the Nomination and Remuneration Committee of the Company appointed by the Board.

2.9. **'SEBI'** shall mean the Securities and Exchange Board of India.

3. APPLICABILITY

The Terms of Appointment shall be applicable to the Independent Directors of the Company.



4. APPOINTMENT

- 4.1. The appointment of an Independent Director of Shree Refrigerations Limited shall be for a period of 5 consecutive years from the date of their appointment. Independent Directors shall not be liable to retire by rotation.
- 4.2. The appointment of every Independent Director shall be approved by the members of the Company.
- 4.3. Independent Directors shall be eligible for re-appointment for another term of 5 consecutive years, after the completion of their first tenure of 5 years, subject to Board approval and the passing of a special resolution by the members.
- 4.4. Subject to Applicable Laws, the Board may, if it deems fit, invite an Independent Director for being appointed on one or more existing Board committees or any such committee that is set up in the future.

5. ROLES AND DUTIES

The roles and duties of the Independent Directors shall be those conventionally required of a Non-Executive Independent Director under the Applicable Laws including rules and regulations made there under, Guidelines/Circulars issued by SEBI as modified, amended or substituted from time to time and as may be applicable.

These duties shall be fiduciary in nature and shall include:

- 5.1. Acting in accordance with the Company's Memorandum of Association and Articles of Association.
- 5.2. Acting in good faith to promote the objects of the Company for the benefit of its members as a whole, and in the best interest of the Company, its employees, shareholders, and the community.
- 5.3. Discharging duties with due and reasonable care, skill, and diligence and providing guidance in their area of expertise.
- 5.4. Not involving in situations where they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- 5.5. Not achieving or attempting to achieve any undue gain or advantage either to themselves or their relatives, partners, or associates.
- 5.6. Not assigning their office of Director, as any such assignment shall be void.
- 5.7. Complying with all applicable laws and regulations relevant to their role as Directors.
- 5.8. Independent Directors shall also adhere to applicable provisions of any code of conduct and policies framed by the Board for all Board members and senior management of the Company under the Applicable Laws including the Code for Independent Directors under Schedule IV of the Act and the Listing Regulations.



5.9. The Board may nominate Independent Directors as the Chairman or Member of other Board Committees, as deemed fit from time to time.

6. COVENANTS OF INDEPENDENT DIRECTORS

- 6.1. Independent Directors are expected to bring objectivity, independence of view, and effective leadership to the Board's discussions. They shall help provide the Board with strategic direction, ensure high standards of financial probity and corporate governance, and manage risks effectively.
- 6.2. Independent Directors shall attend meetings of the Board, Board committees, and general meetings of shareholders regularly. They shall devote sufficient time to discharge their duties effectively.

7. CODE OF CONDUCT AND INSIDER TRADING

- 7.1. Independent Directors shall abide by the Code of Conduct and Ethics for Board of Directors adopted by the Company. They shall provide an annual affirmation of compliance with the Code.
- 7.2. Independent Directors shall also comply with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations and the Company's Code of Conduct for Prevention of Insider Trading.
- 7.3. They shall not make use of unpublished price-sensitive information.

8. REMUNERATION

- 8.1. Independent Directors shall be paid a sitting fee for attending each meeting of the Board and its Committees, as per the provisions of Section 197 of the Companies Act, 2013 and the Articles of Association of the Company, as fixed by the Board from time to time.
- 8.2. Independent Directors shall be entitled to claim reimbursement of all their travelling, hotel, and other incidental expenses incurred in the performance of their duties as Directors of the Company, as per the provisions of the Companies Act, 2013.

9. CONFLICT OF INTEREST

- 9.1. Independent Directors are required to declare any directorships, appointments, and interests to the Board in writing at the time of their appointment.
- 9.2. In the event of circumstances likely to give rise to a conflict of interest or circumstances that might lead the Board to revise its judgments regarding their independence, such situations should be disclosed to both the Chairman and the Company Secretary of the Company.



10. CONFIDENTIALITY

- 10.1. All information acquired during the appointment is confidential to the Company and should not be released to third parties without prior clearance from the Chairman, unless required under Applicable Law or by the regulatory bodies.
- 10.2. The Independent Directors shall avoid making any statements or performing any transactions that might risk a breach of insider trading regulations without prior clearance from the Chairman or the Company Secretary of the Company.
- 10.3. Unless specifically authorized by the Company, Independent Directors shall not disclose Company and business information to public constituencies such as the media, financial community, employees, members, agents, franchises, dealers, distributors, and importers.

11. TERMINATION

- 11.1. Independent Directors may resign from their position at any time by serving a reasonable written notice to the Board.
- 11.2. Continuation of their appointment is contingent on their re-election by the members in accordance with the provisions of the Act, the Rules framed thereunder, and the Articles of Association of the Company.
- 11.3. Independent Directors shall not be entitled to compensation if the members do not re-elect them at any time.
- 11.4. Their appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company.

12. PERFORMANCE EVALUATION

- 12.1. The performance evaluation of Independent Directors shall be conducted by the entire Board of Directors, excluding the Director being evaluated.
- 12.2. The re-appointment of Independent Directors shall be based on the report of their performance evaluation.

13. Liability:

Subject to applicable law, for any breach of their duties they shall be liable to consequences prescribed under applicable law and in relation to the Company, they would be liable for such acts of omission or commission by the Company which had occurred with their knowledge, attributable through Board processes, and with their consent or connivance, or where they have not acted diligently.

SHREE REFRIGERATIONS LIMITED

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13. MISCELLANEOUS

- 13.1. The appointment is also subject to the maximum permissible directorships that one can hold under applicable law, including as per the provisions of the Act and the Listing Agreement.
- 13.2. The Independent Director shall not be an employee of the Company and these terms and conditions shall not constitute a contract of employment.
- 13.3. Independent Directors shall provide an annual declaration as required under Section 149(7) of the Companies Act, 2013 and the rules made thereunder.
- 13.4. An Independent Director shall not serve as an Independent Director in more than seven listed companies or such number of listed companies as may be stipulated by the Listing Agreement or any other law for the time being in force.
- 13.5. 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 for the time being in force.

For and on behalf of

The Board of Directors

Shree Refrigerations Limited



Mr. Ravalnath Gopinath Shende

Managing Director

DIN No. 02028020



Mrs. Rajashri Ravalnath Shende

Director

DIN No. 02028006

Place: Karad

Date: 8th June 2024



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