



SHREE KRISHNA PAPER MILLS & INDUSTRIES LTD.

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Terms and Conditions of appointment of Independent Directors

{Pursuant to Schedule IV of the Companies Act, 2013 (“Act”) and Regulation 46(2)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”)}

Shree Krishna Paper Mills and Industries Limited (“Company”) believes in following the Best Corporate Governance practices and complying with the applicable provisions of the SEBI LODR Regulations and the Act in true spirit. Accordingly to comply with the applicable provisions of SEBI LODR Regulations and the Act related to the appointment of Independent Directors on the Board of the Company detailed Terms and Conditions are as under:-

1. Terms of Appointment:

The term of appointment of an Independent Director (ID) of the Company is 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 by way of Special Resolution.

Independent Director is not 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. This shall be on the basis of performance evaluation.

No Independent Director shall hold office for more than 2 consecutive terms, but shall be eligible for appointment after expiration of 3 years of ceasing to become an Independent Director.

2. Other Terms and Conditions

A. Committees:

A.1 During their tenure as Independent Director(s), they may serve in one or more of the Committees of Board including Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee, or any other Committee of the Board, as the Board may decide from time to time.

A.2 During their tenure as Independent Director(s) they will not serve as (i) an Independent Director in more than the prescribed number of listed companies; and (ii) a Committee member of more than the prescribed number of Committees (i.e. Audit Committee and Stakeholders’ Relationship Committee) including chairmanship of such committees.

B. Duties, Liabilities & Code of Conduct:

(i) The Independent Director(s) will comply with the requirements of Section 166 read with Schedule IV of the Act and Regulations 4(2)(f) & 25 of SEBI LODR Regulations while discharging their duties.

(ii) The Independent Director(s) will be required to abide by the guidelines as to professional conduct for Independent Director(s) as set out in Section 149(8) read with Schedule IV of the Act.

(iii) The Independent Director(s) will be required to provide the disclosures prescribed under the Act and SEBI LODR Regulation including declaration that they meet the criteria of

independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI LODR Regulations and comply with the provisions of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

(iv) The Independent Director(s) will be required to comply with the Code of Conduct for Board of Directors and Senior Management, Code of Practice and Procedure for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct for Prohibition of Insider Trading of the Company including compliance with the applicable provisions of the Insider Trading Laws and Regulations, as amended from time to time.

3. Training and Development:

Independent Director(s) shall undertake appropriate induction and regularly update & refresh their skills, knowledge and familiarity with the Company. Presently, Company is familiarizing the Independent Directors including the following:

- (a) Nature of industry in which the Company operates
- (b) Business model of the Company
- (c) Roles, rights and responsibilities of the Independent Directors
- (d) Quarterly business presentations and regulatory updates

4. Separate Meeting of Independent Directors:

To comply with the provisions of Schedule IV of the Act and Regulation 25(3) of the SEBI LODR Regulations, Independent Directors of the Company shall strive to be present at meeting of Independent Directors held atleast once in a financial year without the presence of Non-Independent Directors. In this meeting, the Independent Directors shall:

- (a) review the performance of Non-independent Directors and the Board as a whole;
- (b) review the performance of the Chairman of the Company taking into account the views of Executive Directors and Non-Executive Directors; and
- (c) assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board that is necessary for the Board to effectively and reasonably perform their duties

5. Remuneration to Independent Directors:

A sitting fee will be paid for attending each meeting of the Board as well as the Audit Committee meeting attended, as per the provisions of Section 197 of the Act 2013 and the Articles of Association of the Company, as fixed by the board from time to time;

The Independent Director will be entitled to claim reimbursement of all his/ her travelling, hotel and other incidental expenses incurred by him/ her in performance of duties as director of the Company, as per the provisions of the Act 2013.

At Shree Krishna Paper Mills and Industries limited, the Company does not pay any remuneration or sitting fee to the Non-Executive Directors. They are entitled to claim the actual out-of-pocket expenses incurred for attending Board Meetings.

6. Confidentiality

All information acquired during the appointment is confidential to the Company and should not be released, either during the appointment or following termination (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. 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.

7. Miscellaneous

(i) Independent Directors shall give an annual declaration as required under the provision of section 149(7) of the Companies Act, 2013 and the rules made thereunder and under Regulation 16(1)(b) of Listing Regulations.

(ii) Independent Directors shall registered themselves under Independent Directors Database maintained by the Indian Institute of Corporate Affairs pursuant to Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

(iii) Every individual whose name so included in the Data bank shall pass an Online Proficiency Self-Assessment Test conducted by the institute within a period of 2 years from the date of inclusion of his name in the Data Bank.

8. Disengagement

The Independent Directors 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 them in the notice, whichever is later. The directorship of Independent Directors on the Board shall cease in accordance with the provisions of the Companies Act, 2013 or other applicable laws.

The Company may disengage the Independent Directors prior to completion of their terms (subject to compliance of relevant provisions of the Act) upon:

- their violating any of the provisos of the Code of Conduct applicable to the Independent Directors.
- the Independent Directors failing to meet the criteria for independence as envisaged in Section 149(6) of the Act and Applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

9. Disclosures

During the tenure of their directorship, the Independent Directors shall notify promptly the Company of any change in their directorships and shall provide all disclosures and information as may be required under the applicable laws. They shall also upon becoming aware of any potential conflict of interest with their position as Independent Directors of the Company, promptly disclose the same to the Chairman of the Board or the Company Secretary.