

### **Name of the Independent Directors**

1. Mr.G.Sitharaman
- 2.Mr.A.Sudhakar Reddy
- 3.Mr.B.Ranga Reddy
- 4.Mr.S.Sridhara Rao

## Terms of appointment and roles, duties, responsibilities and liabilities of Independent Directors of Savera Industries Limited.

### **1. Appointment**

The following Directors are appointed as Non-Executive Independent Directors of the company for a period mentioned below at the 45<sup>th</sup> Annual General Meeting of the company held on 22.9.2014.

<b>Name of the Independent Directors</b>	<b>Period of Appointment</b>
Mr.G.Sitharaman	22.09.2014 to 21.09.2019
Mr.A.Sudhakar Reddy	22.09.2014 to 21.09.2019
Mr.B.Ranga Reddy	22.09.2014 to 21.09.2017
Mr.S.Sridhara Rao	22.09.2014 to 21.09.2017

The term Independent Director should be construed as defined under the Companies Act, 2013 and the listing agreement and you are coming under the category of an independent director as per the information provided by you to the company.

### **2. Committees**

The Board of Directors (the Board) may invite you as a member on one or more existing Board Committees or any such Committee that is set up in the future. Your appointment on such Committee(s) will be subject to the applicable regulations.

### **3. Time Commitment**

As a Non-Executive Independent Director you 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 atleast four times in a year.

The Audit Committee also meets atleast four times in a year. Besides, there are other Committee meetings like Nomination and Remuneration Committee and Stakeholders Relationship Committee and Corporate Social Responsibility Committee meetings which are ordinarily convened whenever it is needed in a year. You will be expected to attend Board, Board Committees to which you may be appointed and also Shareholders meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively. Ordinarily, all meetings are held in Chennai.

By accepting this appointment, you confirm that you are able to allocate sufficient time to

meet the expectations from your role to the satisfaction of the Board.

#### **4. Professional Conduct**

You as an Independent Director shall :

- a) Uphold ethical standards of integrity and probity;
- b) Act objectively and constructively while exercising your duties.
- c) Exercise your responsibilities in a bona fide manner in the interest of the company.
- d) Devote sufficient time and attention to your professional obligations for informed and balanced decision making.
- e) Not allow any extraneous considerations which will vitiate your exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgement of the Board in its decision making.
- f) Not abuse your 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.
- g) Refrain from any action which would lead to loss of your independence:
- h) Where circumstances arise which make you lose your independence, you must immediately inform the Board accordingly.
- i) Assist the company in implementing the best corporate governance practices.

#### **5. Role and Duties**

##### **ROLE**

You as a Non-Executive Independent Director shall :

- help in bringing an independent judgement to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- bring an objective view in the evaluation of the performance of board and management;
- scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- satisfy yourself on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible.
- safeguard the interest of all stakeholders, particularly the minority shareholders.
- balance the conflicting interest of the stakeholders.
- 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.
- Moderate and arbitrate in the interest of the company as a whole, in situation of conflict between management and shareholder's interest.
- Comply with all applicable laws, rules and regulations both in letter & spirit.

##### **DUTIES :**

You as a Non-Executive Independent Director shall :

- undertake appropriate induction and regularly update and refresh your skills, knowledge

- and familiarity with the company.
- 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.
  - strive to attend all meetings of the Board of Directors and of the board committees of which you are a member.
  - participate constructively and actively in the committees of the Board in which you are chairpersons or members.
  - strive to attend the general meetings of the company.
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- 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 your concerns are recorded in the minutes of the board meeting.
  - keep yourself well informed about the company and the external environment in which it operates.
  - not to unfairly obstruct the functioning of an otherwise proper Board of committee of the Board.
  - pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure yourself that the same are in the interest of the company.
  - 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.
  - report concern about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy.
  - acting within your authority, assist in protecting the legitimate interest of the company, shareholders and its employees.
  - 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.

## **6. Status of Appointment**

You will not be an employee of the Company and this letter shall not constitute contract of employment. You will be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board and approved by the Shareholders from time to time as per the Companies Act, 2013. Besides if the Board decides in paying sitting fee for any committee meeting, the same will be paid.

## **7. Reimbursement of Expenses**

In addition to the sitting fees in paragraph 6 the Company will, for the period of your appointment, reimburse you for travel, hotel and other incidental expenses incurred by you to attend the Board/committee meetings.

## **8. Conflict of Interest**

It is accepted and acknowledged that you may have business interests other than those of the Company. You have already furnished the declaration, based on which, you have been selected as an independent director.

In the event that your likely change which might give rise to a conflict of interest, the same should be disclosed to both the Chairman and the Secretary.

## **9. Confidentiality**

All information acquired during your appointment is confidential to SIL and should not be released, either during your 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, you shall surrender any documents and other materials made available to you by SIL.

Your attention is also drawn to the requirements under the applicable regulations and the SIL SEBI Insider Trading Regulations, which concern the disclosure of price sensitive information and dealing in the securities of SIL. Consequently you 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 Secretary.

## **10. Induction**

Immediately after your appointment, you will be invited to attend an initial induction session and, thereafter, ongoing training and familiarisation sessions, including briefings from management and site visits. Please avail yourself of these opportunities.

## **11. Evaluation**

Your appointment and re-appointment on the Board shall be subject to the outcome of the continuous evaluation process.

## **12. Termination**

- a. You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice on the Board.
- b. Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013 and the Articles of Association of the Company, from time to time in force. You will not be entitled to compensation if the shareholders do not re-elect you at any time.
- c. Your appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company that may be amended from time to time.

### **13. Governing Law**

This letter is governed by and will be interpreted in accordance with Indian law and your engagement shall be subject to the jurisdiction of the Indian courts.

If you are willing to accept these terms and conditions of appointment relating to your appointment as a non executive Independent Director of SIL, kindly confirm your acceptance of these terms by signing and returning to us the enclosed copy of this letter.

Yours faithfully  
For Savera Industries Limited

Sd/-  
A.Ravikumar Reddy  
Managing Director.