



**SCAN STEELS LIMITED**

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## **TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS**

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The terms and conditions of appointment of the following Independent Directors are subject to the extant provisions of the (i) Companies Act, 2013 ('**2013 Act**') and the rules framed thereunder, subject to such amendments as may be made applicable from time to time and other applicable laws, including the Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR**") (as amended from time to time) and the Articles of Association of the Company.

<b>Sr. No.</b>	<b>Name of Independent Director</b>	<b>From</b>	<b>To</b>
<b>1</b>	Ms. Konika Poddar	30.01.2024	29.01.2029
<b>2</b>	Mr. Gagan Jalan	24.08.2024	23.08.2029
<b>3</b>	Mr. Punit Kedia	24.05.2021	23.05.2026

The broad terms and conditions of their appointments as Independent Directors of the Company are reproduced hereunder:

**1. Terms of Appointment & Tenure**

The appointment will be for the period mentioned against their respective names ("**Term**"). The Company may disengage Independent Directors prior to completion of the Term subject to compliance of relevant provisions of the 2013 Act. / SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company.

In compliance with provision of Section 149(13) of the Companies Act, 2013, Independent Directors, are not liable to retire by rotation.

As per the current law, 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. 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. but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

The Appointment, re-appointment or removal of an independent Director shall be subject to the approval of shareholders by way of special resolution.

Shareholders' approval for appointment of a person on the board of directors will be taken at the next annual general meeting or within a time period of three months from the date of appointment whichever is earlier.

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An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within three months from the date of such resignation or removal, as the case maybe.

Appointment / Re-appointment at the end of the Term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the 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 the directors continuing to meet the independence criteria.

The directors may be requested to be a member / Chairman of any one or more Committees of the Board which may be constituted from time to time (Such appointment shall be made in consultation with such Independent Director.)

In terms of the Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Amendment Rules from time to time, all Independent Directors of the Company have to enrolled themselves on the Independent Directors Databank and will have to undergo the online proficiency self-assessment test within the specified timeline unless exempted under the aforesaid Rules.

The appointment may be terminated in accordance with the provisions of the Articles of Association of the Company or on failure to meet the parameters of independence as defined in Section 149(6) or Listing Regulations or on the occurrence of any event as defined in section 167 of the Companies Act, 2013. Upon termination or upon resignation for any reason, duly intimated to the Company, Independent Directors will not be entitled to any compensation for loss of office.

### **2. Attendance at the Meetings**

The director will ensure attendance at all meetings of the board / committee in which he / she is a member and also the general meetings of the company. He / she will commit sufficient time for preparation and attendance at the meetings and to regularly update and refresh his / her skill and knowledge on current topics, statutory compliances, good governance practices and his / her role as a director.

### **3. Resignation**

Independent Directors may resign from their position at any time and should they wish to do so, they are requested to serve a reasonable written notice on the Board. In terms of provisions of the Companies Act, 2013, they are required to file a copy of their resignation letter with the Registrar of Companies.

Also, in case of Resignation, letter of Resignation along with the detailed reasons for the resignation and confirmation that there is no other material reason other than those provided and names of the listed entities in which the resigning director holds directorship, membership of board committee if any shall be mentioned and be submitted to the company. In compliance with Schedule III, Part A, Para A, Clause (7B).

No independent director, who resigns from a 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.

### 4. Role, duties and responsibilities

- A. As members of the Board, they along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:
- Requirements under the Companies Act, 2013
  - "Responsibilities of the Board" as outlined in the Regulation 4(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
  - Accountability under the Director's Responsibility Statement.
- B. They shall abide by the 'Code for Independent Directors' as outlined in Schedule IV to section 149(8) of the 2013 Act, and duties of directors as provided in the 2013 Act (including Section 166) and in Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any modification or re-enactment of the same) that come with such an appointment along-with accompanying liabilities.
- C. They are particularly requested to provide guidance in their area of expertise.

The role and duties of Independent Directors will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 and Listing Regulations. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:

- I. They shall act in accordance with the Company's Articles of Association.
- II. They 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.
- III. They shall discharge their duties with due and reasonable care, skill and diligence.
- IV. They 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.
- V. They shall not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners or associates.
- VI. They shall not assign their office as Director and any assignments so made shall be void.

In addition to the above requirements, the Board of Directors also expect Independent Directors to perform the following functions:

- I. Constructively challenge and help develop proposals on strategy for growth of the Company.
- II. Evaluate the performance of management in meeting agreed goals and objectives.
- III. Satisfy themselves on the integrity of financial information and those financial controls and systems of risk management are effective and defensible.

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- IV. Determine appropriate levels of remuneration of Executive Directors and play a prime role in appointing, and where necessary, removing Executive Directors and in succession planning.
- V. Take responsibility for the processes for accurately reporting on performance and the financial position of the Company.
- VI. Keep Governance and Compliance with the applicable legislation and regulations under review and the conformity of Company's practices to accepted norms.

### **5. Time Commitment**

They agree to devote such time as is prudent and necessary for the proper performance of their role, duties and responsibilities as an Independent Director.

### **6. Status of Appointment and Remuneration**

1. Independent Directors will not be employees of the Company and their appointment letter shall not constitute a contract of employment. They 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 remuneration as per section 149, 197 and Schedule V of the Company's Act, 2013. In addition to the sitting fees, Profit related commission that may be determined by the Board may also be payable to them subject to approval of Members. In determining the amount of this commission, the Board, supported by the Nomination and Remuneration Committee, may consider performance of the Company and their performance as evaluated by the Board.
2. Independent Directors have no entitlement to any bonus during the appointment and no entitlement to participate in any employee stock option scheme operated by the Company or any Group Company.
3. The director would be entitled to fee for professional services rendered by them in their professional capacity subject to the compliance of the applicable laws.

### **7. Reimbursement of Expenses**

The Company may pay or reimburse to the Director such expenditure, as may have been incurred by them while performing their role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by them for accommodation, travel and any out-of-pocket expenses for attending Board/ Committee meetings, General Meetings, court convened meetings, meetings with shareholders/creditors/management, site visits, induction and training (organized by the Company for Directors) and in obtaining, subject to the expense being reasonable, professional advice from independent advisors in the furtherance of their duties as Independent Directors.

### **8. Independent Professional Advice**

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



## **9. 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.

## **10. Conflict of Interest**

- a. It is accepted and acknowledged that Independent Directors may have business interests other than those of the Company. As a condition to appointment, they are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of appointment.
- b. In the event that circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgement that they are independent, this should be disclosed to both the Chairman and the Company Secretary.
- c. They shall not participate in any business activity which might impede the application of their independent judgement in the best interest of the Company.

## **11. 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. Evaluation of each director shall be done by all the other directors. The criteria for evaluation shall be 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.

## **12. Disclosures, other directorships and business interests**

During their Term, they agree to promptly notify the Company of any change in their directorships, 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 Chairman and the Company Secretary.

During their Term, they agree to promptly provide a declaration under Section 149(7) of the 2013 Act, upon any change in circumstances which may affect their status as an Independent Director.

## **13. Changes of personal details**

During the Term, they 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.

## 14. Code of Conduct

During the appointment, Independent Directors are required to comply with relevant regulations as contained in Schedule IV under Companies Act, 2013, including the following codes of conduct of the Company:

- Scan Steels Code of conduct for Independent Directors.
- Code of Conduct for Board of Directors and Senior Management,
- Code of Practices and Procedures for Fair disclosure of UPSI
- Code of Conduct to Regulate, Monitor and Report Trading by Insiders.

All directors are required to sign a confirmation of acceptance of the company's Business Code of Conduct as adopted by the board on an annual basis.

## 15. Confidentiality

All information acquired during appointment is confidential to the Company and shall not be released, either during appointment or following termination (by whatever means) to third parties and to constituencies such as the media, the financial community, employees, shareholders, agents, franchisees, dealers, distributors without prior clearance from the Company unless required by law or by the rules of any stock exchange or regulatory body. On reasonable request, Independent Directors shall surrender any documents and other materials made available to them by the Company.

Their obligation of confidentiality shall survive cessation of their respective directorships with the Company.

Attention is also drawn to the requirements under the applicable regulations and the Company's Insider Trading Code which concern the disclosure of price sensitive information and dealing in the securities of the Company. Consequently, Independent Directors 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.

The provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 prohibiting disclosure or use of unpublished price sensitive information, would be applicable to the Independent Directors.

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.

Publication of the letter of appointment In line with provisions of Clause IV (6) of Schedule IV to the Companies Act, 2013 and Listing Regulations, the Company will make public the terms and conditions of appointment of Independent Directors and will also arrange for it to be displayed on the Company's website.

## 16. Disengagement

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 the Company or the date, if any, specified by them in the notice, whichever is later.

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Their directorship on the Board of the Company shall cease in accordance with law. The Company may disengage Independent Directors prior to completion of Term (subject to compliance of relevant provisions of the 2013 Act and LODR, 2015) upon:

- a. Violation of any provision of the Scan Steels Code of Conduct as applicable to Independent Director
- b. Upon the director failing to meet the criteria for independence as envisaged in Section 149(6) of the 2013 Act and Regulation 16(1)(b) of LODR, 2015.

### **17. General**

The appointment of Independent Directors and any non-contractual obligations arising out thereof shall be governed by and be construed in accordance with, the laws of India.

\*Last amended by Board in its Board meeting held on 24.08.2024

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