

Suraj Products Limited

CIN-L26942OR1991PLC002865

Regd. Office-Barpali, Po- Kesramal, Rajgangpur, Dist- Sundargarh, Odisha-770017

Tel No-09437049074 (EPBX Number)

Website: www.surajproducts.com, Email: suproduct@gmail.com

Policy on Independent Directors

Appointment

1. Appointment as a Non-Executive Independent Director on the Board of Directors of the Company is subject to the provisions of the Companies Act, 2013.
2. In compliance with provisions of section 149(13) of the Companies Act, 2013, Directorship of Non-Executive Independent Director is not subject to retirement by rotation.
3. Notwithstanding any other provisions of the Act, 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 on the occurrence of any event as defined in section 167 of the Companies Act, 2013.
4. Upon termination or upon resignation by Non-Executive Independent Director for any reason, duly intimated to the Company, Non-Executive Independent Director will not be entitled to any compensation for loss of office.
5. As a Non-Executive Independent Director it is 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 and Audit Committee general meet four times in a year. Besides, there are other Committee meetings like Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Investment Committee and Sub-Committee of Directors meetings which are ordinarily convened as per requirements. Non-Executive Independent Director will be expected to attend Board and Board Committees to which they may be appointed and 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 New Delhi except the Annual General Meeting.
6. Non-Executive Independent Director by accepting the appointment, confirm that they are able to allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.

Role and Duties

7. Non-Executive Independent Director role and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013. 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 as may be amended from time to time.
 - 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 your 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 conflict 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 to perform the following functions from Non-Executive Independent Director:

- I. They should constructively challenge and help develop proposals on strategy for growth of the Company.
- II. They should evaluate the performance of management in meeting agreed goals and objectives.
- III. They should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are effective and defensible.
- IV. They are responsible for determining appropriate levels of remuneration of Executive Directors and have a prime role in appointing them.
- V. They will take responsibility for the process for accurately reporting on performance and the financial position of the Company.
- VI. They should keep governance and compliance with the applicable legislation and regulations under review and the conformity of Company's practices to accepted norms.

Status of Appointment

8. Non-Executive Independent Director will not be an employee of the Company. 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.

9. The Non- Executive / Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the amount approved by the Board of Directors subject to the provisions of the Companies Act, 2013.
10. They will 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.

Reimbursement of Expenses

11. In addition to the remuneration described above, the Company will reimburse travel, hotel and other incidental expenses incurred by Non-Executive Independent Director in the performance of their role and duties.

Conflict of Interest

12. It is accepted and acknowledged that Non-Executive Independent Director may have business interests other than those of the Company. As a condition of 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 your appointment.
13. In the event that their 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 judgment that you are independent, this should be disclosed to both the Chairman and Company Secretary.

Disclosure of Interest

14. Any material interest that Non-Executive Independent Director may have in any transaction or arrangement that the Company has entered into should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record your interest appropriately and our records are updated. A general notice that they are interested in any contract with a particular person, firm or Company is acceptable.
15. During the appointment Non-Executive Independent Director are required to comply with regulations as contained in Schedule IV under Companies Act, 2013.

Confidentiality

16. All information acquired during their appointment is confident to the Company 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 regulator body. On reasonable request, they shall surrender any documents and other materials made available to them by the Company.

17. Non-Executive Independent Director 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 they should avoid making any statement or performing any transactions that might risk a breach of these requirements without prior clearance from the Chairman or the Company Secretary.
18. In line with provision of Clause IV sub clause 6 of Schedule IV, under Companies Act, 2013, the Company will make public the terms and conditions of appointment and accordingly displayed on the Company's website.

Membership of Committees

19. The Board of Directors may appoint Non-Executive Independent Director as a Member / Chairman of one or more of its Committees which will be covered in a separate Communication setting out the relevant committee's terms of reference and any specific responsibilities.
20. Non-Executive Independent Director may resign from your 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,
21. Continuation of Non-Executive Independent Director appointment is contingent on their 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. Non-Executive Independent Director will not be entitled to compensation if the shareholders do not re-elect you at any time.
22. Non-Executive Independent Director appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

Familiarization Programme:

23. The Independent Directors will be regularly updated on industry and market trends, plant and process and operational performance of the Company through presentations in this regard. They will also periodically kept aware of the latest developments in the Corporate Governance, their duties as Directors and relevant laws.
