

SSPDL LIMITED

Date: ___ September, 2024

To

SRI S.SURYANARAYANA,
Director Identification Number (DIN): 01951750,

DRAFT LETTER OF APPOINTMENT FOR INDEPENDENT DIRECTOR

Dear Sir,

We are pleased to inform you that in pursuance of the provisions of the Companies Act, 2013 ("**Act**") and the Rules framed there under, read with Schedule IV to the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") (including any statutory modification(s) or re-enactment thereof for the time being in force), the Board of Directors of the Company appointed you as a Non-executive Independent Director in terms of the Act and the Listing Regulations) by the members of the Company at the 30th annual general meeting of the company. This letter of appointment sets out the terms and conditions covering your appointment which are as follows:

1. APPOINTMENT/RE-APPOINTMENT:

Your appointment is for a period of **5 (five) years** with effect from 28.09.2024 to 27.09.2029. This tenure is subject to you are meeting the criteria for being an independent director and not disqualified to be a director under the applicable law. You are not liable to retire by rotation. Further, the Company is at liberty to disengage your appointment earlier subject to compliance of relevant provisions of Companies Act, 2013 and the Listing Regulations.

You are eligible for re-appointment for another term of 5 (five) years only. However, it shall be based on (i) you are meeting the criteria for being an independent director and not disqualified to be a director under the applicable law, (ii) the basis of report of performance evaluation done by the entire Board of Directors, recommendation of the Nomination and Remuneration Committee and subject to approval of the Board and the shareholders by way of special resolution, and (iii) the law applicable to the appointment of an independent directors when your re-appointment is considered by the appropriate authority of the Company.

2. EXPECTATION OF THE BOARD AND BOARD LEVEL COMMITTEES:

You are expected to provide your expertise and experience in functioning of the Board and the committees of the Board in which you may be nominated as a member in future. You will abide by the terms of reference and the law applicable to such committees from time to time. In addition to routine board meetings you should allow time for committee meetings, preparatory work and travel, and ensure that you are in a position to make the necessary overall time commitment.

The Board expects you to follow and comply with the Guidelines of Professional Conduct, Roles, functions duties of Independent Directors, and other clauses as provided under Schedule IV of the Companies Act, 2013 during your tenure in the Company as an Independent Director (copy of the extracts from Schedule IV is enclosed as Annexure I), and not to do any act contrary to the professional code.

3. DUTIES AND LIABILITIES:

The duties and liabilities that come with your appointment would be as per the provisions of the applicable laws, including the Articles of Association and the policies, codes of the Company. Mainly, the laws that govern the duties and liabilities of an independent director are the Companies Act, 2013, the Rules made thereunder, and the Listing Regulations.

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As an Independent Director, you shall also have the general legal responsibilities to the Company as that of any other director. The Board, as a whole, is collectively responsible for ensuring the success of the Company by directing and supervising the Company's affairs. The duties prescribed for all Directors are fiduciary in nature and these are prescribed in section 166 of the Companies Act, 2013. Accordingly, you will adhere to the following duties of directors i.e.,

- (1) Subject to the provisions of this Act, you shall act in accordance with the articles of the company.
- (2) You 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 interests of the company, its employees, the shareholders, the community and for the protection of environment.
- (3) You shall exercise your duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (4) You shall not involve in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- (5) You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
- (6) You shall not assign your office and any assignment so made shall be void.
- (7) If a director of the company contravenes the provisions of this section such director shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.

Further, you shall:

- a. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- b. 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;
- c. strive to attend all meetings of the Board of Directors and of the Board committees of which you are a member;
- d. participate constructively and actively in the committees of the Board in which you are a chairperson or member;
- e. strive to attend the general meetings of the company;
- f. 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;
- g. keep yourself well informed about the company and the external environment in which it operates;
- h. not to unfairly obstruct the functioning of the Board or committee of the Board;
- i. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure that the same are in the interest of the company;
- j. 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;
- k. report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;

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- l. acting within your authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- m. 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;
- n. not enter into any agreement for himself/herself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the company, unless necessary approval(s) as may be required by applicable law has been obtained.

Also, you are required to make disclosures of your interest as per the requirements of section 184 of the Companies Act, 2013 and not participate in the meeting of the Committee, Board where any contract or arrangement in which you are concerned or interested in discussed. Also, being an independent director you shall at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect your status as an independent director, give a declaration that you meets the criteria of independence as provided in the Companies Act, 2013, the Rules made thereunder and the Listing Regulations. Also, give necessary other disclosures and declarations from time to time as per the policies of the Company, the Act, Listing Regulations and other applicable law, if any.

Liability: As an independent director you will be liable only in respect of such acts of omission or commission by a company which had occurred with your knowledge, attributable through Board processes, and with your consent or connivance or where you had not acted diligently.

4. DIRECTORS AND OFFICERS (D and O) INSURANCE:

The company has a valid Directors and Officers insurance policy and you are entitled to protection thereunder as per its terms.

5. CODE OF BUSINESS ETHICS:

You will follow the Company's Code of Business Conduct and Ethics.

6. PROHIBITION ON INSIDER TRADING

Directors are prohibited from dealing in the Company's shares during the period when the trading window is closed. You are required to comply with the Company's Code on Prohibition of Insider Trading and applicable insider trading laws and regulations. Your attention is drawn to the requirements under both legislation and regulation as to the disclosure of price-sensitive information. Consequently, you should avoid making any statements that might risk a breach of these requirements.

7. REMUNERATION:

You shall be paid sitting fee for attending the meetings of the Board or any Committee thereof as may be decided by the Board from time to time.

You shall be reimbursed the expenses for participation in the Board and other committee meetings.

8. OTHERS:

- (i) Your resignation and removal as an independent director shall be in the same manner as is provided in sections 168 and 169 and other applicable provisions of the Companies Act, 2013, the Rules made thereunder and the Listing Regulations.
- (ii) You will cease to be a director of the company, in case :
 - (a) you incur any of the disqualifications specified in section 164;

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- (b) you absent yourself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board;
- (c) you act in contravention of the provisions of section 184 relating to entering into contracts or arrangements in which you are directly or indirectly interested;
- (d) you fail to disclose your interest in any contract or arrangement in which you are directly or indirectly interested, in contravention of the provisions of section 184;
- (e) you become disqualified by an order of a court or the Tribunal;
- (f) you are convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months. You shall vacate the office even if you have filed an appeal against the order of such court;
- (g) you are removed in pursuance of the provisions of the Companies Act, 2013.

This letter of appointment is issued based on the provisions of the Companies Act, 2013, the Rules framed thereunder, Listing Regulations, the Articles of Association and other regulations prevalent at the time of your appointment and you are required to comply with all other duties as provided in them. Any change in these provisions/laws shall automatically entail changes in the terms of your appointment. Accordingly, you should comply with the law from time to time that is applicable to a person acting as a director and as an independent director of a company.

It is a pleasure to have you on board. We are confident that your association, expertise and advice will immensely benefit the Board and Company. Please confirm your agreement to the above by signing and returning to me the enclosed duplicate of this letter.

Best Regards,
Yours sincerely,

**For and on behalf of Board of Director
of SSPDL LIMITED**

**PRAKASH CHALLA
CHAIRMAN AND MANAGING DIRECTOR
(DIN : 02257638)**

Encl.: Annexure I - Schedule IV of the Companies Act, 2013.

I have read and agree to the above terms regarding my appointment as an Independent Director of SSPDL Limited.

S.SURYANARAYANA
DIN: 01951750
Date: ____ September, 2024

**SCHEDULE IV
[See Section 149(8)]
CODE FOR INDEPENDENT DIRECTORS**

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

I. Guidelines of professional conduct:

An independent director shall:

- (1) uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising his duties;
- (3) exercise his responsibilities in a bona fide manner in the interest of the company;
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (6) not abuse his 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;
- (7) refrain from any action that would lead to loss of his independence;
- (8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (9) assist the company in implementing the best corporate governance practices.

II. Role and functions:

The independent directors shall:

- (1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- (2) bring an objective view in the evaluation of the performance of board and management;
- (3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) balance the conflicting interest of the stakeholders;
- (7) 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;
- (8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

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III. Duties :

The independent directors shall—

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) 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;
- (3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the company;
- (6) where they 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 their concerns are recorded in the minutes of the Board meeting;
- (7) keep themselves well informed about the company and the external environment in which it operates;
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- (10) 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;
- (11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) act within their authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- (13) 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.

IV. Manner of appointment:

- (1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- (2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- (3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the Rules made thereunder and that the proposed director is independent of the management.
- (4) The appointment of independent directors shall be formalised through a letter of appointment, which shall set out :
 - (a) the term of appointment;

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- (b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
 - (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - (d) provision for Directors and Officers (D and O) insurance, if any;
 - (e) the Code of Business Ethics that the company expects its directors and employees to follow;
 - (f) the list of actions that a director should not do while functioning as such in the company; and
 - (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- (5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- (6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

V. Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

VI. Resignation or removal:

- (1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- (2) 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 may be.
- (3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

VII. Separate meetings:

- (1) The independent directors of the company shall hold at least one meeting in a financial year, without the attendance of non-independent directors and members of management;
- (2) All the independent directors of the company shall strive to be present at such meeting;
- (3) The meeting shall:
 - (a) review the performance of non-independent directors and the Board as a whole;
 - (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
 - (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

VIII. Evaluation mechanism:

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- (1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. (2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

Note: The provisions of sub-paragraph (2) and (7) of paragraph II, paragraph IV, paragraph V, clauses (a) and (b) of sub-paragraph (3) of paragraph VII and paragraph VIII shall not apply in the case of a Government company as defined under clause (45) of section 2 of the Companies Act, 2013 (18 of 2013), if the requirements in respect of matters specified in these paragraphs are specified by the concerned Ministries or Departments of the Central Government or as the case may be, the State Government and such requirements are complied with by the Government companies.

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