

CODE FOR INDEPENDENT DIRECTORS

SILVER CONSUMER ELECTRICALS LIMITED

CIN: U46539GJ2021PLC122633

Reg. Office: Revenue Survey No. 36, 37, 38, 43 to 47/1, Plot No. 1, 3, 5 & 6,
Village: Haripar (Tarvada), Tal: Lodhika, Rajkot – 360 035 Gujarat (India)

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1. Manner Of Appointment

- i. 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.
- ii. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description.

- iii. The appointment of Independent Director shall be in accordance with applicable provisions of the Companies Act, 2013, SEBI and Articles of Association of the Company.
- iv. The appointment of Independent Directors shall be formalized through a letter of appointment, which shall set out:
 - the term of appointment;
 - 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;
 - the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - the Code of Business Ethics that the company expects its directors and employees to follow;
 - the list of actions that a director should not do while functioning as such in the company; and
 - the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- v. The terms and conditions for appointment of Independent Directors shall be hosted on the Company's website and shall be open for inspection at the Registered Office of the Company by any member during the business hours.

2. Role And Functions

The Independent Directors shall:

- i. 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;
- ii. bring an objective view in the evaluation of the performance of board and management;
- iii. scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- iv. satisfy themselves on the integrity of financial information and that financial control and the systems of risk management are robust and defensible;

- v. safeguard the interests of all stakeholders, particularly the minority shareholders;
- vi. balance the conflicting interest of the stakeholders;
- vii. 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;
- viii. moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

3. Duties

The Independent Directors shall:

- i. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company.
- ii. 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.
- iii. strive to attend all meetings of the Board of Directors and of the Board committees of which he/ she is a member.
- iv. participate constructively and actively in the committees of the Board in which they are chairpersons or members.
- v. strive to attend the general meetings of the company.
- vi. 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.
- vii. keep themselves well informed about the company and the external environment in which it operates.
- viii. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board.

- ix. 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.
- x. 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.
- xi. report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy.
- xii. act within their authority, assist in protecting the legitimate interests of the company, shareholders and its employees.
- xiii. 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.
- xiv. Every independent director shall, at the first meeting of the board in which he/she participates as a director and thereafter, at the first meeting of the board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, submit a declaration that he meets the criteria of independence as provided in clause (b) of sub- regulation (1) of regulation 16 and that he is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence.

4. Resignation/ Removal

- i. The resignation or removal of Independent Directors shall be in the manner as is provided in sections 168 and 169 of the Act.
- ii. An independent director who resigns or is removed from the board of directors of the company shall be replaced by a new independent director by the company at the earliest but not later than three months from the date of such vacancy.

5. Separate Meetings

- i. 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.
- ii. All the independent directors of the company shall strive to be present at such meeting.
- iii. The meeting shall:
 - review the performance of non-independent directors and the Board as a whole;
 - review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
 - 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.

6. Evaluation Mechanism

- i. The evaluation of independent directors shall be done by the entire board of directors, excluding the director being evaluated, which shall include –
 - Performance of Directors
 - fulfilment of the independence criteria as specified in the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and amendments therein
- ii. 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.

7. Conflict in Policy

In the event of any conflict between the Companies Act or the SEBI regulations or any other statutory enactments (“Regulations”) and the provisions of this Policy, the Regulations shall prevail over this Policy.

8. Amendments

Any subsequent amendment/modification in the Companies Act, SEBI Listing Regulations and/or other applicable laws in this regard shall automatically apply to the Policy.

9. Review of Policy

The Board has the power to review this Policy, from time to time, on the recommendation of the Committee.

