

## TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

### 1. APPOINTMENT

In accordance with the provisions of the Companies Act, 2013 (“Act”) and other applicable laws, you will serve as an Independent Director of the Board from 11<sup>th</sup> December 2025 till 10<sup>th</sup> December 2030 (“First Term”). As an Independent Director you will not be liable to retire by rotation and your appointment is subject to the approval of shareholders at the next General Meeting, or within a time period of three months from the date of appointment, whichever is earlier.

In terms of the Act, you may be eligible to serve as an Independent Director for another term of up to 5 years, subject to the recommendation of the Nomination and Remuneration Committee and passing of Special Resolution by the Shareholders of the Company.

The terms of your appointment, as set out in this letter, are subject to the extant provisions of the (i) applicable laws, including the Act and the Listing Regulations (as amended from time to time), if applicable and (ii) Articles of Association of the Company (“AOA”).

The term “Independent Director” and other definition shall be construed as defined under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, if applicable.

### 2. ROLES, DUTIES AND RESPONSIBILITIES:

A. As a member of the Board, you 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 Listing Regulations, if applicable;
- Accountability under the Directors’ Responsibility Statement.

**B. You shall abide by the ‘Code for Independent Directors’ as outlined in Schedule IV to Section 149(8) of the Act, and the duties of directors as provided in the Act (including Section 166).**

C. You will provide guidance in your area of expertise.

### 3. PROFESSIONAL CONDUCT FOR INDEPENDENT DIRECTORS:

As an Independent Director, you shall:

- i. uphold ethical standards of integrity and probity;
- ii. act objectively and constructively while exercising his duties;
- iii. exercise his responsibilities in a bona fide manner in the interest of the company;
- iv. devote sufficient time and attention to his professional obligations for informed and balanced decision making;

- v. 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;
- vi. 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;
- vii. refrain from any action that would lead to loss of his independence;
- viii. where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- ix. assist the company in implementing the best corporate governance practices.
- x. respect the confidentiality of data, information, trade secrets, financial information and other information made available to them during their tenure of appointment as well as after cessation of office as independence director

#### **4. ROLES AND FUNCTIONS OF INDEPENDENT DIRECTORS:**

- As an Independent Director, you 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 controls 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.

#### **5. DUTIES:**

- As an Independent Director, you 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 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. acting within his 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.

## **6. FUNCTIONS OF THE BOARD OF DIRECTORS**

### **a. Key Functions of the Board of Directors: -**

- Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and divestments.
- Monitoring the effectiveness of the Company's governance practices and making changes as needed.
- Selecting, compensating, monitoring and, when necessary, replacing key managerial personnel and overseeing succession planning.
- Aligning key managerial personnel and remuneration of board of directors with the longer-term interests of the Company and its shareholders
- Ensuring a transparent nomination process to the board of directors with the diversity of thought, experience, knowledge, perspective and gender in the board of directors.
- Monitoring and managing potential conflicts of interest of management, members of the board of directors and shareholders,

- including misuse of corporate assets and abuse in related party transactions.
- Ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control and compliance with the law and relevant standards.
- Overseeing the process of disclosure and communications.
- Monitoring and reviewing board of director's evaluation framework.

**b. Other Responsibilities: -**

- The board of directors shall provide strategic guidance to the Company, ensure effective monitoring of the management and shall be accountable to the Company and the shareholders.
- The board of directors shall set a corporate culture and the values by which executives throughout a group shall behave.
- Members of the board of directors shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company and the shareholders.
- The board of directors shall encourage continuing directors' training to ensure that the members of board of directors are kept up to date.
- Where decisions of the board of directors may affect different shareholder groups differently, the board of directors shall treat all shareholders fairly.
- The board of directors shall maintain high ethical standards and shall take into account the interests of stakeholders.
- The board of directors shall exercise objective independent judgement on corporate affairs.
- The board of directors shall consider assigning a sufficient number of non-executive members of the board of directors capable of exercising independent judgement to tasks where there is a potential for conflict of interest.
- The board of directors shall ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the Company to excessive risk.
- The board of directors shall have ability to 'step back' to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the Company's focus.
- When committees of the board of directors are established, their mandate, composition and working procedures shall be well defined and disclosed by the board of directors.
- Members of the board of directors shall be able to commit themselves effectively to their responsibilities.
- In order to fulfil their responsibilities, members of the board of directors shall have access to accurate, relevant and timely information.

**7. BOARD COMMITTEES:**

As advised by the Board, during the tenure of office, you may be required to serve on one or more of the Committees of the Board. Upon your appointment to any one or more Committees, you will be provided with the appropriate Committee charter which sets out the functions of that Committee.

**8. TIME COMMITMENT**

Considering the nature of the role of a director, it is difficult for the Company to lay down specific parameters on time commitment. You agree

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

## **9. REMUNERATION:**

As an Independent Director you will be paid sitting fees for attending the meetings of the Board and the Committees of which you are a member. The sitting fees for attending each meeting of the Board and its Committees would be as determined by the Board from time to time.

In addition to the sitting fees, profit related commission may also be paid to you. In determining the amount of commission payable, the Board, supported by the Nomination and Remuneration Committee, shall consider performance of the Company as well as your performance as evaluated by the Board.

Further, the Company may pay or reimburse to you such expenditure that may be incurred by you while performing your role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by you 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, participating in induction and training programmes (organized by the Company for Directors) and/or obtaining professional advice (subject to the expense being reasonable) from independent advisors in the furtherance of your duties as an Independent Director subject to maximum of Rs. 10,000/- per Board meeting and Not Exceeding of Rs. 5,000/- Per Committee Meeting.

## **10. TRAINING AND DEVELOPMENT:**

The Company may, if required, conduct formal training programmes for its Independent Directors.

## **11. EVALUATION MECHANISM:**

- (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.

## **12. CONFLICT OF INTEREST, OTHER DIRECTORSHIPS AND BUSINESS INTERESTS:**

As a condition to appointment, independent directors are required to declare all such directorships, appointments and interests to the Board in writing in the prescribed form annually and as and when there is any change. Further, it is acknowledged and accepted that they may have business interests other than those in the Company.

In the event, that their circumstances seem likely to change and might give rise to a conflict or interest or a change which impacts their independence as an Independent Director of the Company, they shall intimate to the Company forthwith.

It is expected that they will not serve on the Boards of competing companies.

## **13. CHANGES IN PERSONAL DATA:**

During your Term, you 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. 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.

#### **15. RE-APPOINTMENT:**

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

#### **16. MAXIMUM TENURE OF INDEPENDENT DIRECTORS:**

- (1) An independent director shall hold office for a term up to five consecutive years on the Board of a company and shall be eligible for reappointment for another term of up to five consecutive years on passing of a special resolution by the Company.
- (2) Independent director, who completes his term as aforesaid, shall be eligible for appointment as independent director in the Company only after expiry of three years of him ceasing to be an independent director in the Company.

#### **17. MISCELLANEOUS:**

The terms of appointment contained in this letter along with your detailed profile shall be disclosed on the website of the Company and the relevant stock exchanges.

The Board reserves the power to review and amend this Code from time to time. All provisions of this Code would be subject to revision / amendment in accordance with applicable law as may be issued by relevant statutory, governmental and regulatory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant statutory, governmental and regulatory authorities are not consistent with the provisions laid down under this Code, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder.

#### **18. ACCEPTANCE OF APPOINTMENT**

Please confirm your acceptance of the above terms by signing and returning the enclosed duplicate copy of this letter.

We look forward to your support and commitment towards the Company.

Your Sincerely  
**SHINING TOOLS LIMITED,**

**SHINING TOOLS LIMITED**

  
**DIRECTOR**

VIPULBHAI LALJIBHAI GHONIA  
Managing Director| DIN: 06511100

Date: 11.12.2025  
Place: Rajkot

**19. AGREE AND ACCEPT:**

I have read and understood the terms of my appointment as an Independent Director of the Company and I hereby affirm my acceptance to the same.



MR. SHAILESHBHAI DURLABHJIBHAI SAGPARIYA  
DIN: 10068422

Date: 11.12.2025  
Place: Rajkot