

SWAN DEFENCE AND HEAVY INDUSTRIES
LIMITED

Terms and Conditions of Appointment of Independent
Directors

Background

The terms and conditions of appointment of the following Independent Directors are subject to the extant provisions of the applicable laws, including the Companies Act, 2013 ('2013 Act') read with Schedule IV of the Act and Regulation 16 (1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation") and the Articles of Association of the Company.

The Board consists the following Independent Directors:

SN	Name of Independent Director	Tenure
1	Mr. Arun Sinha	14 December 2023 up to 13 December 2028
2	Mr. Kaiyoze Billimoria	14 December 2023 up to 13 December 2028
3	Mr. Ashishkumar Bairagra	14 December 2023 up to 13 December 2028
4	Mrs. Maya Sinha	14 December 2023 up to 13 December 2028
5	Mr. Prabhakar Reddy Patil	16 December 2023 up to 15 December 2028

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

1. Appointment

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 and Listing Regulation.

As Independent Directors, they will not be liable to retire by rotation. Reappointment 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 reappointment 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 / Chairperson of any one or more Committees of the Board which may be constituted from time to time.

2. 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 2013 Act
- Requirements under the Listing Regulations
- Responsibilities of the Board as outlined in the Corporate Governance requirements as prescribed under the Listing Regulations

- B. They are particularly required to provide guidance to the Board in their respective areas of expertise.
- C. 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.
- D. They shall abide by the “Code for Independent Directors” as outlined in Schedule IV of the Companies Act, 2013 (“the Act”), and duties of directors as provided under the Act, the Listing Regulations, other SEBI Regulations, any other applicable Law and the Articles of Association of the Company.
- E. Unless specifically authorised by the Company, they shall not disclose company and business information to constituencies such as the media, the financial community, employees, shareholders, agents, franchisees, dealers, distributors and importers.
- F. Their obligation of confidentiality shall survive cessation of their respective directorships with the Company.
- G. They are expected not to engage in any activity which might impede the application of their independent judgment in the best interest of the Company.
- H. They shall inform the Company of any change in address or contact details or personal details.

3. Remuneration and Insurance

- (a) Independent Directors may be paid sitting fees for attending meetings of the Board and the committees of which they are members, as may be determined by the Board.
- (b) Independent Directors shall be reimbursed actual expenditures incurred while performing their role as an Independent Director.
- (c) Independent Directors may be covered under the Directors’ and Officers’ liability Insurance policy, as may be determined by the Board.

4. Disclosures, Code of Conduct and Ethics

- (a) During their Term they agree to promptly provide Declaration and Disclosure of their concern / interest, as required under Section 149(7) and 184(1) of the Act and Regulation 25 of the Listing Regulations, respectively upon any change in circumstances which may affect their status as an Independent Director.
- (b) Independent Directors are required to furnish Annual affirmation with regard to compliance of the Code of Conduct, as adopted by the Board.
- (c) They are expected to comply with provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, prohibiting disclosure or use of Unpublished Price Sensitive Information.

(d) 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.

5. Induction and Development

(a) The Company will, from time to time, brief the independent directors on all business related matters, risk assessment & minimization procedures and proposed new initiatives. They will also be updated on changes / development pertaining to statutes / legislation and economic environment.

(b) The Company may, if required, conduct formal training programs.

6. Performance Evaluation Process

Performance evaluation of Independent Directors, entire Board & its committees will be done annually, as may be under the provisions of law, in line with the parameters for evaluation laid down by the Nomination & Remuneration Committee.

7. General

These terms and conditions and any non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with the Laws of India and subject to the exclusive jurisdiction of the Courts of India.

8. 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.

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 Listing Regulations) upon

- (i) Violation of any provision of the Code of Conduct as adopted by the Board.
- (ii) the director failing to meet the criteria for independence as envisaged in Section 149(6) of the 2013 Act.

Note: These are general terms and conditions of appointment of Independent Directors, which may be subject to modification / amendment from time to time, as may be decided by the Board.