



# KRN HEAT EXCHANGER AND REFRIGERATION LIMITED

(Formerly Known As KRN Heat Exchanger And Refrigeration Pvt. Ltd.)

**Registered & Work Office:** Plot No.: F-46,47,48,49, EPIP, RIICO Industrial Area, Neemrana – 301705 (RJ)

**CIN No.:** U29309RJ2017PLC058905

**Ph.:** +91-9116629184

Date: 26.03.2024

To,  
Mr. Ketan Sharma,  
S/o Sh. Bhagwan Dass Sharma,  
19/10/2, West Moti Bagh, Gali No-2, P 5-Sarai Rohilla,  
Onkar Nagar, North West Delhi – 110035

## Sub: Appointment as Independent Director

We, on behalf of KRN Heat Exchanger and Refrigeration Limited (“hereinafter referred to as KRN”) write to inform that you are appointed as a Non-Executive Independent Director on the Board of Directors of KRN with effect from March 20, 2024 in terms of the approval of your appointment by the Shareholders as per the provisions of Sections 149, 150 and 152 read with Schedule IV of the Companies Act, 2013, at the extra ordinary general meeting of members of the Company held on March 26, 2024.

This letter sets out the terms and conditions covering your appointment which are as follows:

### 1. Terms of Appointment:

- In accordance with the provisions of the Companies Act, 2013 (the “Act”) and the Rules made there under read with Schedule IV to the Act, you are Appointed as a Non-Executive Independent Director on the Board of Directors of Company for a period of five consecutive years with effect from 20.03.2024. Your appointment is also subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013.
- As an Independent Director you will not be liable to retire by rotation.
- The term Independent Director should be construed as defined under the Act.
- The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Act, as may be amended from time to time. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. The Company is at liberty to disengage.
- Your performance shall be evaluated by the Board annually.

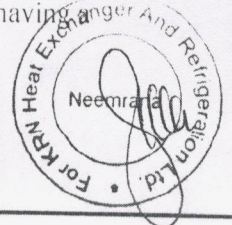
### 2. Committees:

The Board may, if it deems fit, invite you for being appointed on one or more existing Board Committees or any such Committee that it sets up in the future during the tenure of your office. Upon your appointment, you will be provided with the appropriate committee charter which sets out the functions of that Committee.

Currently, the Board has four committees: Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee.

### 3. Time Commitment:

- As a Non-Executive Independent Director, you are 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 meets at least four times in a year. Besides having



Corporate Social Responsibility Committee, the Company is required to constitute the following Committees of Directors with their terms of reference to be determined:

- a) Audit Committee
- b) Nomination and Remuneration Committee
- c) Stakeholders Relationship Committee
- d) Corporate Social Responsibility (CSR) Committee and
- e) any other Committee, as may be required.

The Board may request you from time to time for being appointed on one or more of the aforesaid Committees or any other Committee as may be constituted from time to time. The mandate of the Committees shall be as decided by the Board from time to time. You will be expected to attend Board meetings, Board Committee(s) meeting to which you may be appointed and Shareholders meetings and devote such time to your duties, as appropriate for you to discharge your duties effectively. Ordinarily, all meetings are held at the registered office of the Company or such other as decided by the Board of Directors.

- The Board aims to have at least one “independent directors only” meeting during each financial year so that they can have a full and frank discussion on the performance of the Company, risks faced by the Company and the performance of executive members of the Board. Independent Directors may invite the Chairman, any executive director or any other senior management personnel to make presentations on relevant issues.
- By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.

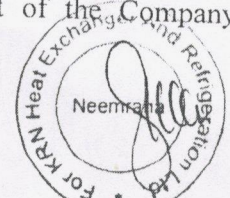
#### 4. Role And Duties:

Independent directors have the same general legal responsibilities to the Company as that of any other director as provided under the Companies Act, 2013 and the rules thereunder. The Board, as a whole, is collectively responsible for ensuring the success of the Company by directing and supervising the Company's affairs. Apart from that your conduct shall abide by the Code of Independent Directors as prescribed under the Schedule IV of the Companies Act, 2013, as may be amended from time to time and with the Code of Business Conduct and Ethics as formulated by the Company and as may be amended from time to time. Your role and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 and the Articles of Association. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:

- i. You shall act in accordance with the provisions of the Companies Act, 2013, and Company's Articles of Association.
- ii. 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 interest of the Company.
- iii. You shall discharge your duties with due and reasonable care, skill and diligence.
- iv. You shall not involve yourself 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.
- v. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
- vi. You shall not assign your office as Director and any assignments so made shall be void.

In addition to the above requirements applicable to all Directors, the role of the Non-Executive Director has the following key elements:

**Strategy:** Independent Directors to constructively contribute to the development of the Company's strategy;



**Performance:** Independent Directors to oversee the performance of the Management in meeting agreed goals and objectives and monitor the reporting of performance;

**Risk:** Independent Directors to evaluate and ensure that financial information is accurate, and should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;

**People:** Independent Directors are responsible for determining appropriate levels of remuneration of Executive Directors and the process of succession planning and also have a prime role in appointing, and where necessary, removing Senior Management;

**Reporting:** Independent Directors take responsibility for the processes for accurately reporting on performance and the financial position of KRN; and

**Compliance:** Independent Directors should keep governance and compliance with the applicable legislation and regulations under review and the conformity of KRN practices to accepted norms.

#### 5. Status of Appointment and Remuneration:

- You will not be an employee of the Company and this letter shall not constitute a contract of employment.
  - ✓ As a Non-Executive Independent Director, You 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.
  - ✓ The payment of sitting fees will be within the limits mandated under the Companies Act, 2013 and Rules made thereunder (as amended from time to time).
- Further, the Company shall reimburse to you such fair and reasonable expenditure, as may have been incurred by you while performing your role as an Independent Director of the Company. This would include reimbursement of expenditure incurred by you for attending Board/Committee meetings, Annual General Meetings, Extraordinary General Meetings, court convened meetings, meeting with shareholders/creditors/ management, etc.

#### 6. Conflict of Interest:

- It is accepted and acknowledged that you may have business interests other than those of the Company. You 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 and in the event of your further appointment and relinquishment as Director in other entities.
- In the event, your circumstances seem likely to change which might give rise to a conflict of interest or there are circumstances that might lead the Board to revise its judgement that you are independent, such circumstances shall be disclosed to the Board who shall have the authority to take appropriate decision in this regard.

#### 7. Confidentiality:

All information acquired during your appointment is confidential 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 regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by the Company.

You will not, except with the prior written consent of the Company, be in any way connected with or interested in any business in competition with that of the Company. This does not prevent you from holding equity or other securities in other companies, however it is expected that you will not serve on the Boards of competing companies.



Your attention is also drawn to the requirements under the to be applicable regulations and the Code of Conduct for Prevention of Insider Trading which concerns the disclosure of price sensitive information and dealing in the securities of the Company going forward. Consequently, you should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Chairman.

#### **8. Familiarization Program:**

Immediately after your appointment, a familiarization program shall be undertaken for you to enable you to understand the business of the Company including sharing Organizational Chart, publicity material of the company & policy handbook of the Company etc. Ongoing training and familiarisation sessions, including briefings from management on business, strategy, operations & financial updates shall also be conducted. Please avail yourself of these opportunities as fully as is appropriate to your circumstances.

#### **9. Performance Appraisal / Evaluation Process:**

As a member of the Board, your performance as well as the performance of the entire Board and its Committees shall be evaluated annually. Evaluation of each director shall be done by all the other directors. The criteria for evaluation shall be determined by the Nomination and Remuneration Committee and disclosed in the Company's Annual Report. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board/Committee. An indicative list of factors that may be evaluated as part of this exercise is:

- Participation and contribution by a director,
- Commitment (including guidance provided to senior management outside of Board/ Committee meetings),
- Effective deployment of knowledge and expertise,
- Effective management of relationship with stakeholders,
- Integrity and maintenance of confidentiality,
- Independence of behavior and judgment, and
- Impact and influence

#### **10. Disclosure of Interest:**

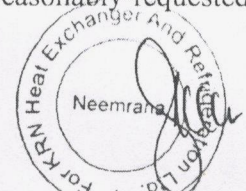
The Company must include in its Annual Accounts a note of any material interest that a Director may have in any transaction or arrangement that the Company has entered into. Such interest should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record your interest appropriately and our records are updated. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.

#### **11. Termination:**

- You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice on the Board.
- Your appointment for a second term is contingent on your getting re-elected by the shareholders in accordance with provisions of Act. You will not be entitled to compensation if the shareholders do not re-elect you at any time.
- Your appointment may also be terminated in accordance with the provisions of the Companies Act, 2013.

#### **12. Cooperation:**

In the event of any claim or litigation against the Company, based upon any alleged conduct, act or omission on your part during your Term, you agree to render all reasonable assistance and cooperation to the Company and provide such information and documents as are necessary and reasonably requested by the Company or its counsel.



**13. Contract:**

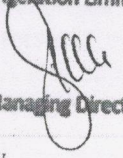
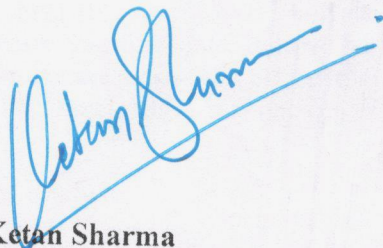
It is agreed that this is a contract for services and is not a contract of employment. This agreement is governed by and will be interpreted in accordance with Indian law and your engagement shall be subject to the jurisdiction of the Indian Courts.

**14. Acceptance of Appointment:**

We are confident that the Board and the Company will benefit immensely from your rich experience, and we are eager to have you as an integral part of the growth of our Company. If these terms of appointment are acceptable to you, please confirm your acceptance by signing and returning the enclosed copy of this letter.

We thank you for your continued support and commitment to the Company.

Yours Sincerely,

<p><b>For KRN Heat Exchanger And Refrigeration Limited</b> (Formerly known as KRN Heat Exchanger And Refrigeration Private Limited)</p>	<p>I hereby acknowledge receipt of and accept the terms set out in this letter.</p>
<p>For KRN Heat Exchanger And Refrigeration Limited</p>  <p>Chairman And Managing Director</p> <p><b>Santosh Kumar Yadav</b> Chairman And Managing Director Date : 26.03.2024</p>	 <p><b>Ketan Sharma</b> Date : 26.03.2024</p>