

Sophia Exports Limited

TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

Introduction

Terms and conditions of appointment of Independent Directors of the Sophia Exports Limited (“Company”) in accordance with the requirements of Schedule IV to the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Terms and conditions of appointment of Independent Directors:

Appointment & Tenure

Currently, the Company has 2 (Two) Independent Directors (“IDs”). Their tenure is as under:

Ms. Divya Chawla	- w.e.f. March 30, 2024 to March 29, 2029
Ms. Ankita Mathpal	- w.e.f. May 27, 2024 to May 26, 2029

The appointments of IDs will also be subject to the maximum permissible Directorships as per the provisions of the Companies Act, 2013 (“Act”) and the SEBI (Listing Obligations and Disclosure Requirements) 2015, as amended from time to time (“Listing Regulations”).

The relationship of IDs with the Company will be that of an office-holder and it is not a contract of employment with the Company.

Board Committees

The Board has constituted several Committees of Directors, with the adequate delegation of powers. Subject to the applicable regulations and as advised by the Board, IDs may be required to serve on one or more Committees of the Board established by the Company or any such Committee that may be set up in the future. These Committees meet periodically as per business requirements or as may be mandated by law.

Familiarization Programme for Independent Directors

Every new Independent Director attends an orientation program. Further, on a continuing basis, presentations are made by the Executive Directors/ Senior Managerial Personnel to the Directors. The presentations cover an overview of the nature of the industry in which the Company operates, the Company’s strategies, organization structure, business model, operations, functions, risk management, roles, rights and responsibilities of Directors, etc. Further, periodic presentations are also made on the business of the Company and updates on all applicable laws.

Time Commitment

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We anticipate IDs time commitment involving attendance at all Board meetings, Committee meetings of which they may be appointed as a member, and the General meetings of the members of the Company.

In terms of the Act and Listing Regulations, IDs are required to hold at least one separate meeting without the attendance of non-IDs and members of management. All IDs shall strive to be present at such meeting.

Functions, Duties, and Liabilities

All IDs will be required to act in accordance with the Articles of Association of the Company ('AOA') and subject to the provisions of the Act. Schedule IV of the Act ('Code for Independent Directors') stipulates detailed functions, duties, and guidelines for the professional conduct of Independent Directors. Further, Section 166 of the Act prescribes duties of Directors in general.

IDs may seek independent professional advice with the approval of the Chairman/ Executive Director, at the Company's expense, on any matter connected with the discharge of their responsibilities as an Independent Director.

As per Section 149(12) of the Act and Regulation 25 of the Listing Regulations, an Independent Director shall be held liable, only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently. Moreover, Regulation 25 of Listing Regulations prescribes the obligations of Independent Directors.

Memberships on Board of other companies

It is expected that IDs should not serve on the Boards of competing companies.

Remuneration

Currently, the remuneration of IDs as approved by the members/ Board are as follows:

a) Commission:

As a specified % of the net profits of the Company as may be approved by the Board and/ or the shareholders of the Company, in accordance with the provisions of the applicable law.

b) Sitting fees:

The sitting fees presently paid to the Independent Director is Rs. 40,000/- p.a. of the Board and a Committee thereof.

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c) Bonus/ESOP's

IDs will have no entitlement to any bonus during the appointment and will not be able to participate in Employee Stock Option Scheme of the Company.

Performance Evaluation

Performance of IDs shall be evaluated according to the provisions of the Act/ Listing Regulations and as per the procedure formalized by the Board.

Compliance with various Codes of the Company

During their continuation with the Company as a Director, all IDs are expected to conduct themselves in a professional manner and comply with the following:

- Code of Conduct for all members of Board of Directors and Senior Management;
- Code of Conduct for Prevention of Insider Trading;
- Whistle Blower Policy – Vigil Mechanism; and
- Any other code, mechanism, directive, or policy that may be framed by the Company from time to time.

Disclosures

IDs shall make all statutory disclosures / confirmations as required to be made under applicable laws including but not limited to:

- Annual/ event-based disclosures as per Act;
- Disclosures under the Listing Regulations;
- Disclosures under the Code of Conduct for Prevention of Insider Trading; and
- Disclosures under the Code of Conduct for Directors and Senior Management.

Confidentiality

All information acquired by IDs during their tenure of appointment is confidential and should not be released, either during the appointment or following termination (by whatever means) to third parties without prior approval in writing from the Board or the Company Secretary unless required by law or by the rules of any stock exchange or regulatory body. On reasonable request, IDs shall surrender any documents and other materials made available to them by the Company during their association as Independent Director.

IDs attention is also drawn to the requirements under the applicable regulations and the Company's Share Dealing Code which concern the disclosure of price sensitive information and dealing in the securities of Company. Consequently, IDs should avoid making any

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statements or performing any transactions that might risk a breach of these requirements without the prior clearance.

Termination

Notwithstanding other provisions, the appointment may be terminated in accordance with the provisions of the Articles of Association of the Company or on failure to meet the parameters of independence as defined in section 149(6) or on the occurrence of any event as defined in section 167 of the Companies Act, 2013.

Continuation of IDs appointment is contingent on getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013 and the Articles of Association of the Company, from time to time in force. IDs will not be entitled to compensation if the shareholders do not re-elect IDs at any time.

Upon termination or resignation for any reason, duly intimated to the Company by serving a written notice to the Board, IDs will not be entitled to any compensation for loss of office.

General

The terms of appointment of IDs, are subject to the extant provisions of the Act, Listing Regulations, AOA, and other applicable laws, if any.
