

**TERMS & CONDITIONS OF APPOINTMENT OF  
INDEPENDENT DIRECTOR  
IN  
SARVESHWAR FOODS LIMITED**

## **1. Appointment:**

1.1 The person is appointed as a Non-Executive Independent Director on the Board of Directors of the Company with effect from respective Board meeting date. The appointment is also subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013 and the listing agreement.

1.2 The term Independent Director should be construed as defined under the Companies Act, 2013 and the listing agreement.

1.3 The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the Listing Agreement. 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 Non Executive Independent Director earlier subject to compliance of relevant provisions of Companies Act, 2013.

## **2. Time Commitment:**

As a Non-Executive Director, the Independent Director is 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. The Audit Committee also meets at least four times in a year. He will be expected to attend Board, Board Committees to which they may be appointed and Shareholders meetings and to devote such time to their duties, as appropriate for them to discharge their duties effectively. The Independent Director is also expected to attend the Annual General Meeting & Extra-ordinary General Meeting of the Company.

## **3. Role and Function:**

3.1 The role and function will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 and the Listing Agreement. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:

- a) They shall act in accordance with the Company's Articles of Association.
- b) They 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.
- c) They shall exercise his duties with due and reasonable care, skill & diligence and shall exercise independent judgment.
- d) They shall not involve in a situation in which they may have a direct or indirect interest that conflicts, with the interest of the Company.

- e) They shall 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;
- f) They shall bring an objective view in the evaluation of the performance of Board and management;
- g) They shall scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- h) safeguard the interests of all stakeholders, particularly the minority shareholders;
- i) balance the conflicting interest of the stakeholders;
- j) 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;
- k) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

### **3.2 Duties:**

The Independent Director shall—

- a) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- b) 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;
- c) strive to attend all meetings of the Board of Directors and of the Board committees of which they are member;
- d) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- e) strive to attend the general meetings of the Company;
- f) 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;

g) keep themselves well informed about the company and the external environment in which it operates;

h) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;

i) 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;

j) 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;

k) report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;

l) acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;

m) 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.

#### **4. Status of Appointment:**

4.1 They will not be an employee of the Company and shall not enter a contract of employment. They will be paid such remuneration by way of setting fees for meetings of the Board and its Committees as may be decided by the Board and approved by the Shareholders from time to time.

#### **5. Reimbursement of Expenses:**

In addition to the remuneration described in paragraph 4, the Company will, for the period of their appointment, reimburse him for travel, hotel and other incidental expenses incurred by them in the performance of their role and duties.

#### **6. Conflict of Interest:**

6.1 It is accepted and acknowledged that they may have business interests other than those of the Company. As a condition to their appointment commencing, they are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of their appointment.

6.2 In the event that their circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgment that they are independent, this should be disclosed to the Board.

### **7. Confidentiality:**

All information acquired during their appointment is confidential to the Company and should not be released, either during his appointment or following termination (by whatever means) to third parties without prior clearance from the Board unless required by law or by the rules of any stock exchange or regulatory body. His attention is also drawn to the requirements under the applicable regulations and the Code of Conduct which concern the disclosure of price sensitive information and dealing in the securities of the Company. Consequently they should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Chairman.

### **8. Induction:**

Immediately after their appointment, they will be invited to attend an initial induction session and, thereafter, ongoing training and familiarization sessions, including briefings from management and site visits.

### **09. Evaluation:**

The Company has adopted a policy on Board Evaluation. The policy provides for evaluation of the Board, the Committees of the Board and individual Directors, including the Chairman of the Board. As per the Policy, the Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis. Their appointment and re-appointment on the Board shall subject to the outcome of the yearly evaluation process.

### **10. Independent Professional Advice:**

There may be occasions when they consider that they needs professional advice in furtherance of his duties as a Director and it will be appropriate for them to consult independent advisors at the Company's expense. The Company will reimburse the full cost of expenditure incurred in accordance with the Company's policy.

### **11. Disclosure of Interest:**

They are also requested to disclose to the Company in appropriate forms their concern or interest in any other company, body corporate, firm or other association of person at the first meeting of the Board in which they participate as director and thereafter at first meeting of the Board in every financial year or whenever there is any change in the last disclosed information.

## **12. Resignation & Termination:**

a) They may resign from his position at any time and should he wish to do so, he is requested to serve a reasonable written notice on the Board along with detailed reasons for the resignation.

b) Continuation of their appointment is contingent on their 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. They will not be entitled to compensation if the shareholders do not re-elect him at any time.

c) Their appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

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