

## **Annexure I – Terms of Appointment**

### **1. Committees**

The Board of Directors (the Board) may, if it deems fit, invite the Independent Director for being appointed on one or more existing Board Committees or any such Committee that is set up in the future. The Independent Directors appointment on such Committee(s) will be subject to the applicable regulations.

### **2. Time Commitment**

By accepting this appointment, the Independent Director confirms that he is able to allocate sufficient time to meet the expectations from the Independent Director role to the satisfaction of the Board.

### **3. Role and Duties**

The Independent Directors roles and duties will be those normally required of a Non- Executive Independent Director under Section 166 of the Companies Act, 2013. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:

Section 166 of the Companies Act, 2013 is reproduced below:-

- (1) Subject to the provisions of this Act, a director of a company shall act in accordance with the articles of the company.
- (2) A Director of a Company 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 interests of the Company, its employees, the shareholders, the community and for the protection of environment.
- (3) A Director of a Company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (4) A Director of a Company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- (5) A Director of a Company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such Director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
- (6) A Director of a Company shall not assign his office and any assignment so made shall be void.
- (7) If a Director of the Company contravenes the provisions of this section such Director shall be punishable with fine, which shall not be less than one lakh rupees but which may extend to five lakh rupees.

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

**Strategy:** Non-Executive Directors should constructively challenge and help in improving proposals on short-term and long-term strategy;

**Performance:** Non-Executive Directors should scrutinize the performance of management in meeting agreed goals and objectives;

**Risk:** Non-Executive Directors should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;

**People:** Non-Executive Directors are responsible for determining appropriate levels of remuneration of Executive Directors and have a prime role in appointing, and where necessary, removing Executive Directors and in succession planning;

**Reporting:** Non-Executive Directors take responsibility for the processes for accurately reporting on performance and the financial position of the Company; and

**Compliance:** Non-Executive Directors should keep governance and compliance with the applicable legislation and regulations under review and the conformity of the Company practices to accepted norms.

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

The Independent Director is not an employee of the Company and this letter shall not constitute a contract of employment. The Independent Director 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. Further, the Independent Director may be paid remuneration by way of commission as may be approved by the Board and 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 the Independent Director appointment, reimburse the Independent Director for travel and hotel expenses incurred by the Independent Director in the performance of his roles and duties.

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

6.1 The Independent Director may have business interests other than those of the Company. The Independent Director is required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of appointment.

6.2 In the event that the 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 the Independent Director is independent, this should be disclosed to both the Chairman and the Secretary.

## **7. Confidentiality**

All information acquired during the appointment is confidential to Vijaykant Dairy and should not be released, either during the Independent Director appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman unless required by law. On reasonable request, the Independent Director shall surrender any documents and other materials made available to the Independent Director by Vijaykant Dairy. The Independent Director should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Board of Directors.

## **8. Independent Professional Advice**

There could be occasions when the Independent Director may need professional advice in furtherance of his duties as a Director and it will be appropriate for the Independent Director to consult independent advisers at the Company's expense. The Company will reimburse the full cost incurred in accordance with the Company's policy.

## **9. 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 not later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record the Independent Directors interest appropriately and our records are updated. A general notice that the Independent Director is interested in any contracts with a particular person, firm or company is acceptable.

## **10. Termination**

- a. The Independent Director may resign from the position at any time and should the Independent Director wish to do so, the Independent Director is requested to serve a reasonable written notice to the Board.
- b. Continuation of the Independent Director appointment is contingent on the Independent Director getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013, the Articles of Association of the Company from time to time in force.
- c. The Independent Directors appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

## Annexure II

### Schedule IV

[See section 149(8)]

#### CODE FOR INDEPENDENT DIRECTORS

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfillment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

##### I. Guidelines of professional conduct:

An independent director shall:

- (1) Uphold ethical standards of integrity and probity;
- (2) Act objectively and constructively while exercising his duties;
- (3) Exercise his responsibilities in a *bona fide* manner in the interest of the company;
- (4) Devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (5) 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;
- (6) 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;
- (7) Refrain from any action that would lead to loss of his independence;
- (8) Where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (9) Assist the company in implementing the best corporate governance practices.

##### II. Role and functions:

The independent directors shall:

- (1) 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;
- (2) Bring an objective view in the evaluation of the performance of board and management;
- (3) Scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) Satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- (5) Safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) Balance the conflicting interest of the stakeholders;
- (7) 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;
- (8) Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

### **III. Duties :**

The independent directors shall—

- (1) Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) 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;
- (3) Strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (4) Participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) Strive to attend the general meetings of the Company;
- (6) 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;
- (7) keep themselves well informed about the company and the external environment in which it operates;
- (8) Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (9) 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;
- (10) Report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (11) Acting within his authority, assist in protecting the legitimate interests of the Company, Shareholders and its Employees;
- (12) 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.

### **IV. Re-appointment:**

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

### **V. 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.

### **VI. Separate meetings:**

- (1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
- (2) All the independent directors of the company shall strive to be present at such meeting;
- (3) The meeting shall:
  - (a) Review the performance of non-independent directors and the Board as a whole;
  - (b) Review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;

(c) Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**VII. 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.