

Sahyadri Farmers Producer Company Limited

TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTOR OF THE COMPANY IN ACCORDANCE WITH THE REQUIREMENTS OF SCHEDULE IV TO THE COMPANIES ACT, 2013 (the "Act")

1. TERMS OF APPOINTMENT:

- a) The term of appointment of an Independent Director of the Company is for a period of two (2) consecutive years from the date of his/ her appointment. Independent Director is not liable to retire by rotation. Appointment of every independent director shall be approved by members of the Company.
- b) Independent Directors will be eligible for re-appointment, after the completion of their tenure of two (2) years, subject to Board approval, and the passing of a Special Resolution by Members.
- c) During the term of appointment, the Independent Director may be required to serve on one or more committees of the Board, i.e. Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee or such other Committees, as the Board may decide.
- d) The Independent Director is an Independent Non-Executive Director and will be identified as such in the annual report and other documentation of the Company. If circumstances change, and he/she believes that his/her independence will be in doubt, he/she should discuss the same with the Chairman of the Company as soon as practicable.

2. DUTIES AND LIABILITIES

- a) The Independent Director will perform his/her fiduciary duties in a responsible manner and his/her general legal responsibilities to the Company will be at par with Non- Executive Director.
- b) The Independent Director shall act in accordance with the Articles of Association of the Company and while discharging his/her duties, comply with the requirements of Section 166 and Schedule IV of The Companies Act, 2013.
- c) The Independent Director will be held liable only in respect of such acts of omission or commission by the Company which have occurred with his/her knowledge, attributable through Board processes, and with his/her consent or where the he/she has not acted diligently.

Sahyadri Farmers Producer Company Limited

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3. CODE FOR INDEPENDENT DIRECTOR

- a) The Company has relied on the declaration of the Independent Director that he/she meets the criteria of independence as provided in Section 149(6) of the Act.
- b) The Independent Director will be required to abide by the guidelines as to professional conduct for independent directors as set out in Section 149(8) read with Schedule IV to the Act.

4. CONFLICT OF INTEREST AND RESTRICTIONS

- a) It is accepted and acknowledged that the appointed Independent Director may have business interests other than those of the Company. Considering the same, 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.
- b) In the event that 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 judgments that they are independent, this should be disclosed to both the Chairman and the Secretary.
- c) During the term of appointment, an Independent Director shall not serve as
 - i. an independent director in more than the prescribed number of companies; and
 - ii. a committee member of more than the prescribed number of committees including chairmanship of such committees.
- d) During the term of Appointment, Independent Director will not enter into any agreement for himself/herself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

5. TIME COMMITMENT

- a) By accepting the appointment, the Independent Director confirms that he/she will be able to allocate sufficient time to perform his/her duties as a Director of the Company and attend meetings of the Board or any Committee thereof. In addition to such attendances, he/she will also be expected to devote appropriate preparation time ahead of each meeting.

6. TRAINING AND DEVELOPMENT

- a) The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices.

- b) Periodic presentations are made at the Board and Committee meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved.

7. EVALUATION PROCESS

- a) The performance of individual directors shall be evaluated by the entire Board, excluding the director being evaluated, on an annual basis.
- b) The re-appointment of independent director shall be on the basis of report of performance evaluation.

8. REMUNERATION

- a) In consideration of the Independent Director's services, the Company will pay the Independent Director, sitting fees as decided by the Board for attending each meeting of the Board or any committee thereof or any other meeting of Directors.
- b) In addition to the sitting fees stated in the preceding paragraph, the Company will reimburse the Independent Director, or bear and pay, all travel, conveyance, accommodation or other expenses incurred as a result of carrying out his/her duties as a director.
- c) Independent Director is not eligible to participate in Stock Options schemes of the Company.

9. CONFIDENTIALITY

- a) Independent Directors will not use for his/her own, or for another's benefit, or disclose or permit the disclosure of any confidential information relating to the Company, its holding, subsidiary or associate companies, which he / she may acquire by virtue of his/her position as an Independent Director of the Company, including without limitation, any information about the deliberations of the Board. The restriction shall cease to apply to any confidential information which may (other than by reason of the director's breach of this term), become available to the public generally.

10. INSURANCE

- a) The Company has Directors' and Officers' ("D&O") liability insurance cover and it is intended to maintain such cover for the full term of the appointment. The Independent Director may obtain details of such insurance from the Company Secretary.

11. INDEMNITY

The directors are granted an indemnity from the Company in respect of liabilities incurred as a result of their office, to the extent permitted by law.

12. PUBLICATION OF LETTER

In accordance with the provisions of Schedule IV to the Act, the letter of appointment will be open for inspection by any member and the Company will also post the generic copy of this letter on its website www.sahyadrifpc.com.

13. RELATIONSHIP

- a) The appointment constitutes neither a contract for services nor a service contract.
- b) There will be no relationship of employer and employee as a consequence of appointment as an Independent Director of the Company.

14. AUTHORITY

The letter of appointment will be issued under the authority of the Board.

By the order of the Board of Directors

For Sahyadri Farmers Producer Company Limited

Mr Rahul Dattatraya Chandratre
Company Secretary
Membership Number FCS 9508
Date:
Place: