



Terms & Conditions for appointment of Independent Directors

Terms and conditions of appointment of Independent Directors of the 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:

I. Term:

- Shri Sudhir Shankar Halwasiya (DIN:00020000) has been appointed as an Independent Director of the Company for a second term of 5 (five) consecutive years by the members at their Annual General Meeting held on September 29, 2018. The Appointment is for a term commencing from April 1, 2019 up to March 31, 2024.
- Shri Alok Garg (DIN:01394308) has been appointed as an Independent Director of the Company for a second term of 5 (five) consecutive years by the members at their Annual General Meeting held on September 29, 2018. The Appointment is for a term commencing from April 1, 2019 up to March 31, 2024. .
- Shri Sulabh Singal (DIN:05270534) has been appointed as an Independent Director of the Company for a second term of 5 (five) consecutive years by the members at their Annual General Meeting held on September 29, 2018. The Appointment is for a term commencing from April 1, 2019 up to March 31, 2024.

II. OTHER TERMS AND CONDITIONS:

1. The Independent Directors are appointed by the members of the Company, on recommendation of Nomination & Remuneration Committee and the Board of Directors for such period not exceeding five years as may be considered appropriate by the board. The Company may remove Independent Directors prior to completion of the term subject to compliance of relevant provisions of the Companies Act, 2013 and Articles of Association of the Company.
2. In compliance with provision of Section 149(13) of the Companies Act, 2013 ("the Act"), Independent Directors are not liable to retire by rotation.
3. Re-appointment at the end of the term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the shareholders. The re-appointment would be considered by the Board based on the outcome of the performance evaluation process and the directors continuing to meet the independence criteria.
4. The Independent Directors may be requested to be a member / Chairman of any one or more Committees of the Board which may be constituted from time to time.



5. 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 Listing Regulations or on the occurrence of any event as defined in section 167 of the Companies Act, 2013. Upon termination or upon resignation for any reason, duly intimated to the Company, Independent Directors will not be entitled to any compensation for loss of office.

6. ROLES, DUTIES AND RESPONSIBILITIES:

- 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 a 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 to 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 Independent Director have not acted diligently.

7. CODE FOR INDEPENDENT DIRECTORS:

- 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 as also in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 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.
- c. The Independent Director will be required to comply with applicable provisions of any code of conduct framed by the Board for all Board members and Senior Management of the Company under the Listing Regulations.

8. TIME COMMITMENT:

The Independent Director is expected to bring objectivity and independence of view to the Board's deliberations and to help the Board with effective overview of the Company's strategy, performance, social commitments and risk management and ensure high standards of financial integrity and governance.

Independent Director are required to perform the duties expected including (without limitation) attending Board/Committee meetings of which a member and shareholders meetings and to devote such time, as it is prudent and appropriate, for the proper performance of their roles, duties and responsibilities as an Independent director.

9. REMUNERATION:

As Independent Directors, they shall as decided by Board of Directors, paid sitting fees for attending the meetings of the Board and the Committees, as may be applicable, of which they are members. The sitting fees for attending each meeting of the Board and its Committees would be as determined by the Board from time to time.



In addition to the sitting fees, commission that may be determined by the Board may also be payable to the Independent Directors. In determining the amount of this commission, the Board, on recommendation of Nomination and Remuneration Committee (NRC), may consider the performance of the Company and their performance as evaluated by the Board.

10. REIMBURSEMENT OF EXPENSES

Payment or reimbursement of such fair and reasonable expenditure, as may have been incurred while performing role as an Independent Director of the Company, which could include reimbursement of expenditure for attending Board / Committee meetings, General Meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training organized by the Company for its directors, subject to prior consultation with Board, in the furtherance of duties as an Independent Director.

11. DISCLOSURES OF INTEREST

- It is accepted and acknowledged that Independent Director may have business interests other than those of the Company. As a condition of appointment, Independent Director are required to submit various disclosures/ declarations under applicable laws and as per Company's policies including declarations with respect to any directorships, appointments and interests to the Board in writing.
- Independent Director will not serve in more than seven listed companies including the Company and if to be appointed as a whole time director in any listed company, they will not serve as an Independent Director in more than three listed companies including the Company. Further, in no event Independent Director shall hold directorship in companies beyond the limits specified in Section 165 of the Act;
- During the term of appointment, Independent Director to promptly notify the Company of any change in directorships and provide such disclosure and information as may be required under the applicable laws; and
- Independent Director shall refrain from any action that would lead to loss of independence. In the event that the circumstances of Independent Director seem likely to change which might give rise to conflict of interest or such change in circumstances could lead the Board to revise its judgment regarding independence, such changes or possible changes in circumstances should be disclosed to the Board promptly.

12. EVALUATION

The Company shall carry out an evaluation of the performance of the Board as a whole and of the Committees and directors of the Board on an annual basis as per the Company's policy. The performance evaluation of independent directors shall be done by the entire Board, excluding the director being evaluated. The appointment/ re -appointment on the Board shall be subject to the outcome of the annual evaluation process.

13. INDEPENDENT DIRECTORS' MEETING

A separate meeting of the Independent Directors will be held at least once every year without the



attendance of the non-independent directors and the members of the management. The Company expects all the Independent Directors to strive to be present at this meeting.

14. LIABILITY UNDER THE ACT

Pursuant to the provisions of the Act, an Independent Director will be liable only in respect of such omission or commission by the Company which had occurred with his/ her knowledge, attributable through Board processes and with his/ her consent or connivance or where he/she had not acted diligently.

15. CONFLICT OF INTEREST

Independent Director shall not –

- i. abuse position to the detriment of the Company or its shareholders;
- ii. unfairly obstruct the functioning of the Board or Committee meeting(s);
- iii. put in a position which results in a direct or indirect conflict of interest or possible conflict of interest with the Company; and
- iv. Assign office of an Independent Director and any assignments so made shall be void.

16. CONFIDENTIALITY

- a. All information including commercial secrets, technologies, advertising and sales promotion plans related to the Company that is acquired or provided during the tenure is confidential to the Company and should not be released/disclosed either during the tenure or following termination (by whatever means) to third parties without prior authorization by the Board, unless such release /disclosure is required by law or by the rules of any stock exchange or regulatory body/authority.
- b. Accordingly, Independent Director are expected to maintain all agenda, notes, data, records and other documents in any way relating to the Company or the Company's business interest, as highly confidential and maintain them as inaccessible to others;
- c. Independent Director to adhere to the requirements under the applicable regulations and the Insider Trading Code in relation to the disclosure of unpublished price sensitive information and dealing in the securities of the Company. Consequently, Independent Director should avoid making any statements or performing any transaction that might risk a breach of these requirements without prior clearance from the Board; and
- d. At all times and notwithstanding ceasing to be an Independent Director of the Company, Independent Director are expected not to use such information for personal or professional benefit or disclose such confidential information to third party that may use the same for their personal or professional benefit, or otherwise engage in any activity that would constitute insider trading.

17. COOPERATION

In the event of any claim or litigation against the Company, based upon any alleged conduct, act



or omission on the part of Independent Director during his tenure, the Independent Director shall render all reasonable assistance and cooperation to the Company and provide such information and documents as are necessary and reasonably required by the Company or its counsels.

18. TERMINATION

Independent Director may resign from the position at any time by giving a notice in writing to the Company stating reasons of resignation. The resignation shall take effect from the date on which the notice is received by the Company or the date if any specified in the notice, whichever is later. Independent Director shall cease to hold office if fails to meet the criteria for an Independent Director mentioned in the Act and/or the Listing Regulation and/or if otherwise disqualified and shall forthwith intimate the Company of such an event and promptly submit resignation to the Company with effect from date of such change. The Company can also terminate your directorship in accordance with the Procedure set out in Section 169 of the Act. Apart from the grounds of termination as specified in the Act, your directorship may be terminated for violation of any provisions of the appointment letter.

- i. if you have been found to have committed a serious breach or continual material breach of any of your duties or obligations;
- ii. if you are found to have made illegal monetary profit or received any gratuities or other rewards, in cash or in kind, out of any of the Company's affairs or any of its subsidiaries or related companies.

Upon termination or upon your resignation for any reason, you will not be entitled to any damages for loss of office and no fee will be payable to you in respect of any unexpired portion of the term of the Appointment.

19. PUBLICATION OF LETTER

The Company will also post the terms and conditions of the appointment on the Company's website www.modinaturals.com

20. AUTHORITY

This letter of appointment is issued under the authority of the Board.

21. COUNTERPARTS

This letter of appointment is issued in two counterparts and you are requested to sign and return one counterpart in token of your acceptance of the terms and conditions contained in this Letter of Appointment.

For Modi Naturals Limited

**Sd/-
Chairman**