



**POLICY ON TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT
DIRECTORS
OF
PARAG MILK FOOD LIMITED**

POLICY ON TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

“The terms and conditions of appointment of the following Independent Directors are subject to the extant provisions of the (i) applicable laws, including the Companies Act, 2013 ('2013 Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) and (ii) Articles of Association of the Company:

Sr. No.	Name of Independent Director	From	Tenure	Name of the Committee in which nominated as Chairperson(C)/Member(M)
1	Mr. Narendra Ambwani	26-May-2020 (Was appointed on 26-May-2015 for a term upto five consecutive years on the Board of the Company and is reappointed for 2 nd consecutive term of 5 years)	5 years	1. Audit Committee - M 2. Corporate Social Responsibility Committee- M 3. Nomination & Remuneration Committee - C
2	Ms. Radhika Dudhat	26-May-2020 (Was appointed on 26-May-2015 for a term upto five consecutive years on the Board of the Company and is reappointed for 2 nd consecutive term of 5 years)	5 years	1. Nomination & Remuneration Committee -M 2. Corporate Social Responsibility Committee-C 3. Risk Management Committee - C
3	Mr. Nitin Dhavalikar	28-July-2020 (Was appointed on 28-July-2015 for a term up to five consecutive years on the Board of the Company and is reappointed for 2 nd consecutive term of 5 years)	5 years	1. Audit Committee - C 2. Nomination & Remuneration Committee - M 3. Risk Management Committee - M
4	Mr. Dnyanesh Darshane	25-Dec-2022 (To hold office for a term of upto 5 (five) consecutive years with effect from 25-Dec-2022 to 24-Dec-2027.	5 years	1. Audit Committee - M 2. Stakeholders Relationship Committee - C 3. Risk Management Committee - M”

The broad terms and conditions of their appointments as Independent Directors will be as per the appointment letter issued by the Company and are reproduced hereunder:

1. Appointment:

The appointment will be for the period mentioned against their respective names (“Term”). The Company may disengage Independent Directors prior to completion of the Term subject to compliance of relevant provisions of the Cos 2013 Act. As Independent Directors, they will not be liable to retire by rotation. Reappointment 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 reappointment would be considered by the Board based on

the outcome of the performance evaluation process and the directors continuing to meet the independence criteria. The 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.

The Board of directors of the top 500 listed entities shall have at least one independent woman director by April 1, 2019 and the Board of directors of the top 1000 listed entities shall have at least one independent woman director by April 1, 2020

2. Role, Duties and Responsibilities:

A. As Member of the Board, Independent Directors will be collectively responsible for meeting the objectives of the Board which include:

- Requirements under the Companies Act, 2013,
- To act in accordance with the Company's Articles of Association.
- Accountability under the Directors' Responsibility Statement.
- To bring 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 including Board best practices, in functioning of the Board and the Committees of the Board.
- To moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.
- To oversee the maintenance of high standards of Parag values and ethical conduct of business.
- To devote sufficient time and attention to his professional obligations for informed and balanced decision-making.
- 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;
- Oversee the Company's contribution to enhancing the quality of life of communities.
- Reviewing the TBEM (The Company Business Excellence Model) findings and monitoring the action plan.
- To 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.
- To undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company; 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.
- To strive to attend all meetings of the Board of Directors and of the Board committees of which he/she is a member.
- To participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- To strive to attend the general meetings of the company
- To keep themselves well informed about the company and the external environment in which it

operates;

- To not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board
- To 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;
- To report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- To 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;
- Independent Directors shall discharge their duties with due and reasonable care, skill and diligence.

B. They shall abide by the 'Code for Independent Directors' as outlined in Schedule IV to section 149(8) of the 2013 Act, and duties of directors as provided in the 2013 Act (including Section 166).

C. They shall abide by the Policy on "Code of Conduct for Directors" framed by the Company and available on the company website.

3. Time Commitment

Considering the nature of the role of a director, it is difficult for a company to lay down specific parameters on time commitment. Independent director's shall agree to devote such time as is prudent and necessary for the proper performance of their role, duties and responsibilities as an Independent Director.

4. Status of Appointment and Remuneration (Sitting Fees)

Independent Directors will not be employees of the Company. They will be paid such remuneration by way of sitting fees for attending meetings of the Board and its Committees as may be decided by the Board and approved by the Members from time to time. As an Independent Director, they may be paid maximum sitting fees of **Rs 1,00,000/- (One lakh) per meeting** as per the limits laid down under section 197 of Companies Act, 2013 after applicable deduction as per the Income Tax Act, 1961, for attending the meetings of the Board and the Committees of which they are a member as fixed by the Board from time to time.

Provided that for Independent Directors and Women Directors, the sitting fee shall not be less than the sitting fee payable to other directors.

5. The Company Code of Conduct:

The Board has adopted a Code of Conduct for its Directors and Senior Management personnel and also a Policy Code for Prohibition of Insider Trading. The Independent Directors are expected to abide by the provisions of the aforesaid Codes and provide an annual declaration for the same.

The provisions of both, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Policy on Prohibition of Insider Trading, prohibiting disclosure or use of unpublished price sensitive information, would be applicable to the Independent Directors.

Additionally, they shall not participate in any business activity which might impede the application of their independent judgment in the best interest of the Company.

6. Directors and Officers liability insurance:

The Company maintains a Directors and Officers insurance policy (D & O policy), inter alia to cover the personal liability of the Directors and Officers for the term of their appointment, subject to the terms and conditions of the policy in force from time to time.

7. Other Directorships And Business Interests:

It is accepted and acknowledged that the Independent Director may have business interests other than those of the Company. As a condition to their appointment, they are required to declare in the prescribed format any such directorships, appointments and interests to the Board in writing at the time of their appointment and first board meeting of every financial year or whenever there is any change in such disclosures already made.

8. Change Of Personal Details:

During the term, they shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company at the time of their appointment.

9. Liability:

Subject to applicable laws, for any breach of duties, the Independent Directors will be liable to consequence prescribed under applicable law and in relation to the Company, the Independent Directors would be liable for such acts of 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 the Independent Directors has not acted diligently

10. Confidentiality:

Highest standards of confidentiality shall be observed and no kind of disclosure to any person or Company (whether during the course of the Appointment or at any time after its termination) shall be made on any confidential information concerning the Company and any Group Companies

with which the Independent Directors come into contract by virtue of their position as an Independent Director of the Company.

11. General

All the terms and conditions as mentioned above shall be governed by the Companies Act, 2013 and Rules made thereunder and Corporate Governance requirements under the Listing Regulations, as amended from time to time.