



# **MEGASTAR FOODS LIMITED**

## **TERMS AND CONDITIONS FOR APPOINTMENT OF INDEPENDENT DIRECTORS**



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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. 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 ("Listing Regulations"). If circumstances change, and he/she believes that his/her independence will be in doubt, Independent Director should discuss the same with the Chairman of the Company as soon as practicable. Code for Independent Directors.

At present, Mr. Prabhat Kumar, Mr. Amit Mittal and Ms. Savita Bansal are Independent Directors of the Company.

### **TERM:**

**Mr. Prabhat Kumar** :Mr. Prabhat Kumar has been appointed as an Independent Director of the Company for a term of 5 (five) consecutive years by the members at their Extra Ordinary General Meeting held on 04<sup>th</sup> April, 2018. He is not liable to retire by rotation.

**Mr. Amit Mittal**: Mr. Amit Mittal has been appointed as an Independent Director of the Company for a term of 5 (five) consecutive years by the members at their Extra Ordinary General Meeting held on 04<sup>th</sup> April, 2018. He is not liable to retire by rotation.

**Ms. Savita Bansal**: Ms. Savita Bansal been appointed as an Independent Director of the Company for a term of 5 (five) consecutive years by the members at their Extra Ordinary General Meeting held on 04<sup>th</sup> April, 2018. She is not liable to retire by rotation.

In addition to the committee of Independent Directors, the Independent Directors may be required to serve on one or more Board Committees as may be decided by the Board from time to time. Presently such committees are Audit Committee, Nomination & Remuneration Committee, Stakeholder Investors Grievance Committee and Corporate Social Responsibility Committee. The role of these committees may be such as may be decided by Board from time to time.

### **ROLE, 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 ("the Act").
- C. The Independent Director to 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 has not acted diligently.



### **TIME COMMITMENT:**

Considering the nature of the role of a Director, it is difficult for the Company to lay down specific parameters on time commitment. The Independent directors agree to devote such time as may be prudent and necessary for the proper performance of their role, duties, responsibilities as Independent Director.

### **CODE FOR INDEPENDENT DIRECTORS:**

- A. 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.
- B. The Independent Director will be required to comply with applicable provisions of any code of conduct framed by the Board for all Board.
- C. Members and Senior Management of the Company under the Listing Regulations.
- D. Unless specifically authorized by the Company, Independent Directors will not disclose information in respect of Company's affairs to media, the financial community, the employees, members or to any other person.

### **OTHER RESTRICTIONS:**

- A. During the term of Appointment, an Independent Director shall not serve as (a) an independent director in more than the prescribed number of companies and (b) a committee member of more than the prescribed number of committees (i.e. the Audit Committee and the Stakeholders' Relationship Committee) including chairmanship of such committees.
- B. During the term of appointment, Independent Director shall not indulge in forward dealings in securities of the Company which is prohibited under the Act. Directors are prohibited from dealing in the Company's securities during the period when the trading window is closed. They should not enter into insider trading and are expected to comply with the Company's code for securities dealing as well as with the concerned provisions of the Insider Trading Laws and Regulations.
- C. The Independent Directors shall not engage in any activity which might impede the application for their independent judgement in the best interest of the Company.

### **TRAINING AND DEVELOPMENT:**

- A. The Independent Director will be invited to attend ongoing training and familiarization sessions for Directors including site visits.
- B. 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.
- C. Periodic presentations are made at the Board and Committee meetings, on business and performance updates of the Company, business environment, business strategy and risks involved.
- D. Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to Directors.

### **PERFORMANCE EVALUATION PROCESS:**

Performance of the Independent Directors as well as performance of the entire Board, its committees will be evaluated annually as required under the provisions of law.



**SITTING FEES:**

In consideration of the Independent Directors' services, the Company will pay sitting fees of Rs. 5,000/- for attending each meeting of the Board up till 12/11/2019 and Rs. 7,000/- from 12/02/2020.

**GENERAL:**

Action in particular that should not be taken by the Independent Directors while in office, include the following:

- A. Action that involves any violation of the applicable laws
- B. Action that involves breach of the Code of Conduct of the Company.
- C. Action that involves their personal interest except as disclosed in terms of the applicable laws, or comprises, or conflicts with the interest of the Company.

**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 a director of the Company.

**GOVERNING LAW:**

The Appointment and the terms are governed by the laws of India.

**AUTHORITY:**

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

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