

[On letter head of the company]

To

Name of director

Address:

Date:

Subject: Appointment as a Non Executive Independent Director of Poona Dal and Oil Industries Limited

Dear Sir,

We are pleased to inform you that the Board of Directors have approved your appointment as an **Independent Director** of the Company to hold office as an Director until the ensuing Annual General Meeting of the Company. This letter confirms your appointment as a Non-executive Independent Director of the Company and outlines the terms of the Appointment as follows:

1. **Appointment/Re-appointment & Term of Appointment**

- a) In accordance with the provisions of the Companies Act, 2013 and other applicable laws, you will serve as Independent Director of the Board of the Company.
- b) The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the Listing Agreement. Accordingly, the Independent Directors will serve for not more than two terms of up to five consecutive years each on the Board of the Company. The Company is at liberty to disengage Non Executive Independent Director earlier subject to compliance of relevant provisions of Companies Act, 2013.
- c) The term Independent Director should be construed as defined under the Companies Act, 2013 and the listing agreement.

2. **Board Committees:**

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

3. **Time Commitment:**

As a Non-Executive Independent Director you are expected to bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective leadership in relation to the Company's strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance. You will be expected to attend Board, Board Committees to which you may be appointed and Shareholders meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively.

By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.

4. **Professional Conduct**

As an independent director you shall:

- i) uphold ethical standards of integrity and probity;
- ii) act objectively and constructively while exercising your duties;
- iii) exercise your responsibilities in a bona fide manner in the interest of the company;
- iv) devote sufficient time and attention to your professional obligations for informed and balanced decision making;
- v) not allow any extraneous considerations that will vitiate your 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;
- vi) not abuse your 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;
- vii) refrain from any action that would lead to loss of your independence;
- viii) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly; and
- ix) assist the company in implementing the best corporate governance practices.

5. **Role and Functions of Independent Directors**

Your role and functions will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 and the listing agreement

You as an independent directors shall:

- i) 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;
- ii) bring an objective view in the evaluation of the performance of board and management;
- iii) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- iv) satisfy yourself on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- v) safeguard the interests of all stakeholders, particularly the minority shareholders;
- vi) balance the conflicting interest of the stakeholders;
- vii) 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;

viii) Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

6. Duties of Independent Directors

Your duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 and the listing agreements entered by the Company with the Stock Exchanges.

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You as an independent directors shall:

- i) undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the company;
- ii) 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;
- iii) strive to attend all meetings of the Board of Directors and of the Board committees of which you are a member;
- iv) participate constructively and actively in the committees of the Board in which you are chairperson or member;
- v) strive to attend the general meetings of the company;
- i) where you 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;
- ii) keep themselves well informed about the company and the external environment in which it operates;
- iii) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- v) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure yourself that the same are in the interest of the company;
- vi) 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;
- vii) report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- viii) acting within your authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- ix) 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.

7. Director's Fees / Remunerations

- i) As an Independent Director you shall be remunerated by way of sitting fees for attending the meetings of the Board and the Committees of which you are a member as fixed by the Board from time to time within the limits as per the provisions of the Companies Act 2013 and the rules made there under.

8. Benefit of Training

The Company will, as may be required, support Directors to continually update their skills and knowledge and improve their familiarity with the company and its business by arranging /funding training programs.

9. Dealing in Shares and Code of Conduct

- i) Directors are prohibited from dealing in the Company's shares during the period when the Trading window is closed. You are required to comply with the applicable insider trading laws and regulations.
- ii) You are also required to abide by the Code of Conduct and Ethics as set out by the Company (Copy enclosed). Any contravention of the Code will attract penalties as mentioned in the Code or as per relevant Act and rules, as applicable to the Company and its Directors

10. Conflict of Interest

- i) It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to your appointment commencing, you are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment.
- ii) In the event that your 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 you are independent, this should be disclosed to the Chairman of the company.

11. Confidentiality

All information acquired during your appointment is confidential to the Company and should not be released, either during your appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman unless required by law or by the rules of any stock exchange or regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by the Company.

Consequently you should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Chairman of the company.

12. Performance Evaluation

The performance evaluation of independent directors & other directors of the board will be undertaken on annual basis as per the provisions of the Companies Act 2013 , revised clause 49 of the Listing Agreement & LODR with the Stock Exchange

13. 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 your interest appropriately and our records are updated. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.

14. Termination

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- i) You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice on the Board.
- ii) If at any stage during the Term, there is a change that may affect your status as an Independent Director as envisaged in Section 149(6) of the 2013 Act or, if applicable, you fail to meet the criteria for “independence” under the provisions of Clause 49 of the

Listing Agreement, you agree to promptly submit your resignation to the Company with effect from the date of such change.

- iii) Your appointment may also be terminated / cease in accordance with the provisions of law and the Articles of Association of the Company from time to time in force.

15. **Governing Law**

This agreement is governed by and will be interpreted in accordance with Indian law and your engagement shall be subject to the jurisdiction of the Indian courts.

16. **Acceptance of Appointment**

If you are willing to accept these terms of appointment relating to your appointment as a Non-executive Independent Director of the Company, kindly confirm your acceptance of these terms by signing and returning to us the enclosed copy of this letter.

Yours Sincerely

For Poona Dal and Oil Industries Limited

**Pradip Poonamchand Parakh
Chairman & Managing Director**

I hereby acknowledge receipt of and accept the terms set out in this letter.

Signed

Dated