



KN AGRI RESOURCES LIMITED

' TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS '

The terms and Conditions of the appointment of the Independent Director of the Company shall, in any event, be subject to the provisions of the Companies Act 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and the Articles of Association of the Company.

The broad terms and conditions of their appointment as Independent Directors are mentioned hereunder:

1. TERMS OF APPOINTMENT

- I. The term of appointment of an Independent Director (ID) of the Company is for a period of 5 consecutive years from the date of his/her appointment, or such other period as may be mutually decided.
- II. In compliance with provision Section 149(13) of the Companies Act, 2013, Independent Directors are not liable to retire by rotation.
- III. Independent Directors will be eligible for re-appointment for another term of 5 consecutive years, after the completion of their tenure of first 5 years, subject to Board approval, and the passing of a Special Resolution by Members, based on the recommendation of the Nomination and Remuneration Committee. 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.
- IV. 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.
- V. 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.

2. RESIGNATION

Independent Directors may resign from their position at any time and should they wish to do so, they are requested to serve a reasonable written notice on the Board. In terms of provisions of the Companies Act, 2013, they are required to file a copy of their resignation letter with the Registrar of Companies.

3. TIME COMMITMENT

Independent Directors agree to devote such time as is prudent and necessary for the proper



performance of their role, duties and responsibilities as Independent Director.

4. ROLES AND DUTIES

The roles and duties of the Independent Director will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are inter-alia as under:

- They shall act in accordance with the Company's Articles of Association.
- They shall 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 interest of the Company.
- They shall discharge their duties with due and reasonable care, skill and diligence.
- They shall not involve themselves in a situation in which they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- They shall not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners or associates.
- They shall not assign their office as Director and any assignments so made shall be void.
- They shall comply with Requirements under the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013,
- They shall comply with "Responsibilities of the Board" as outlined in the Corporate Governance requirements as prescribed by the Stock Exchanges under the SEBI Regulations.

5. EXPECTATIONS OF THE BOARD

the Board of Directors expects from Independent Directors to perform the following functions:

- Constructively challenge and help develop proposals on strategy for growth of the Company.
- Evaluate the performance of management in meeting agreed goals and objectives.
- Satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are effective and defensible.
- Determine appropriate levels of remuneration of Executive Directors and play a prime role in appointing, and where necessary, removing Executive Directors and in succession planning.
- Take responsibility for the processes for accurately reporting on performance and the financial position of the Company.



- Keep Governance and Compliance with the applicable legislation and regulations under review and the conformity of Company's practices to accepted norms.

6. STATUS OF APPOINTMENT AND REMUNERATION

Independent Directors will not be employees of the Company and their appointment letter shall not constitute a contract of employment. They will be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board. In addition to the sitting fees, commission that may be determined by the Board may also be payable to them. In determining the amount of this commission, the Board, supported by the Nomination and Remuneration Committee, may consider performance of the Company and their performance as evaluated by the Board.

Independent Directors will have no entitlement to any bonus during the appointment and no entitlement to participate in any employee stock option scheme operated by the Company or any Group Company.

7. REIMBURSEMENT OF EXPENSES

The Company may pay or reimburse to the Director such expenditure, as may have been incurred by them while performing their role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by them for accommodation, travel and any out of pocket expenses 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 Directors) and in obtaining, subject to the expense being reasonable, professional advice from independent advisors in the furtherance of their duties as Independent Directors.

8. TRAINING AND DEVELOPMENT

The Company may, if required, conduct formal training program for its Independent Directors. The Company may, as may be required, support Directors to continually update their skills and knowledge and improve their familiarity with the company and its business. The Company will fund/arrange for training on all matters which are common to the whole Board.

9. CONFLICT OF INTEREST

It is accepted and acknowledged that Independent Directors may have business interests other than those of the Company. As a condition to appointment, they are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of appointment.

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 judgment that they are independent, this should be disclosed to both the Chairman and the Company Secretary.



10. DISCLOSURE OF OTHER DIRECTORSHIPS AND BUSINESS INTERESTS

During their Term, Independent Directors agree to promptly notify the Company of any change in their directorships, and provide such other disclosures and information as may be required under the applicable laws. They also agree that upon becoming aware of any potential conflict of interest with their position as Independent Directors of the Company, they shall promptly disclose the same to the Chairman and the Company Secretary.

During their Term, Independent Directors agree to promptly provide a declaration under applicable provisions of the Companies Act, 2013 and Listing Regulations, upon any change in circumstances which may affect their status as an Independent Director.

Any appointment of the Independent Director, in other Companies shall be subject to the ceiling limit provided under the Companies Act 2013 and applicable SEBI Regulations.

11. CONFIDENTIALITY

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

Attention is also drawn to the requirements under the applicable regulations and the Company's Insider Trading Code which concern the disclosure of price sensitive information and dealing in the securities of the Company. Consequently Independent Directors should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Chairman or the Company Secretary. Unless specifically authorized by the Company, the Independent Director shall not disclose Company and business information to public constituencies such as the media, the financial community, employees, members, agents, franchises, dealers, distributors and importers.

12. AMENDMENT

These terms and conditions are subject to such changes/modifications as the Board may deem fit and proper and are also subject to such changes/modifications as may be required by /under any law.

13. DISSEMINATION

This Document shall be disclosed as may be required under the provisions of Companies Act, 2013, and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, subject to applicability from time to time.

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