

OSWAL AGRO MILLS LIMITED

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

1. Background

The Securities and Exchange Board of India (“SEBI”), vide its Notification dated September 2, 2015, has issued the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Regulations”). As per the Regulations and the Companies Act, 2013 mandate listed entities to formulate the terms and conditions of appointment of independent directors. It is in this context that the terms and conditions of appointment of independent directors is being framed and implemented.

2. Terms of Appointment

1. The appointment will be for the period of 5 years commencing from the date of appointment. 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 Section 149(13) of the Companies Act, 2013, 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 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.

3. Roles and Responsibilities

The role and Responsibilities of Independent Directors will be those normally required of an Independent Director under the Companies Act, 2013 and Listing Regulations. There are certain Roles and Responsibilities duties prescribed for Independent Directors are as under:

- I. They shall act in accordance with the Company’s Articles of Association and Requirements under the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013
- II. 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.
- III. They shall discharge their duties with due and reasonable care, skill and diligence.
- IV. 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.
- V. They shall not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners or associates.
- VI. They shall not assign their office as Director and any assignments so made shall be void.

In addition to the above requirements, the Board of Directors also expects from Independent Directors to perform the following functions:

- I. Constructively challenge and help develop proposals on strategy for growth of the Company.
- II. Evaluate the performance of management in meeting agreed goals and objectives.
- III. Satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are effective and defensible.
- IV. 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.

- V. Take responsibility for the processes for accurately reporting on performance and the financial position of the Company.
- VI. Keep Governance and Compliance with the applicable legislation and regulations under review and the conformity of Company's practices to accepted norms.

4. Directors' Remuneration

Independent Directors of the Company are entitled to sitting fees of INR 15,000 for attending each meeting of the Board and Committee thereof. The Company shall also reimburse all reasonable and properly documented expenses that are incurred by a director in performing the duties for the Company.

5. Confidentiality

During their tenure, Independent Directors of the Company are privy to information that is confidential to the Company. All such information acquired during tenure should not be released to third parties without prior clearance from the Chairperson.

6. Evaluation Process

As a member of the Board, performance as well as the performance of the entire Board and its Committees shall be evaluated annually. Evaluation of each Director shall be done by all the other Directors. The criteria for evaluation shall be determined by the Nomination and Remuneration Committee of the Board and disclosed in the Company's Annual Report. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committee. If, in the interim, there are any matters which cause concern directors can discuss them with the Chairperson as soon as is appropriate.

7. General

The appointment of Independent Directors and any non-contractual obligations arising out thereof shall be governed by and be construed in accordance with, the laws of India.

8. Review / Amendment

The Board may amend, abrogate, modify or revise any or all clauses of this Policy in accordance with the applicable provisions of the Listing Regulations and amendment thereto notified by the Securities and Exchange Board of India and/or Stock Exchanges, from time to time. In case any provision(s) of this Policy is contrary to or inconsistent with the provisions of the Companies Act, 2013, rules framed thereunder and Listing Regulations ("Statutory Provisions"), the Statutory Provisions shall prevail.

Further, amendments in the Statutory Provisions shall be binding even if not incorporated in this Policy.