

## Letter of Appointment of Independent Director

To

Dated :

Mr. / MS.

Dear Sir,

### **Sub : Appointment as an Independent Director on the Board of Everest Organics Limited**

We are pleased to inform you that upon the recommendation of the Nomination & Remuneration Committee and the Board, the members at their meeting held on \_\_\_\_\_, have approved your appointment as an Independent Director on the Board of Everest Organics Limited (“the Company”) under the relevant provisions of Companies Act, 2013 .

We are sure that the Board will continue to benefit immensely from your rich knowledge and valuable experiences.

This letter set out the main terms of your appointment as follows:

#### **1. Compliance of eligibility criteria**

- 1.1 As per the declaration dated \_\_\_\_\_, provided by you (copy enclosed), it is noted that you meet the criteria of being appointed as an Independent Director of the Company in terms of provisions of section 149 of Companies Act, 2013, and Rules notified thereunder from time to time.
- 1.2 You shall on yearly basis declare to the Company that you continue to meet this eligibility criteria.
- 1.3 In case of happening of any event, if you cease to meet the eligibility criteria for Independent Director, you shall promptly inform the Company of the same and shall cease to become an Independent Director of the Company.

#### **2. Terms of Appointment**

- 2.1 The members of Everest Organics Limited at the \_\_\_\_\_ Annual General Meeting of the Company held on \_\_\_\_\_, have appointed you as an Independent Director on the Board of Everest Organics Limited, under section 149, 152 and other applicable provisions of the Companies Act, 2013 and Rules notified thereunder, read with schedule IV of the Act, as amended from time to time.
- 2.2 You shall hold office for a term of \_\_\_\_Years w.e.f \_\_\_\_\_ and shall not be liable to retire by rotation.
- 2.3 Upon completion of initial term of \_\_\_\_years, your appointment as Independent Director can be renewed for another term if so recommend by Nomination & Remuneration Committee, and approved by the Board subject to relevant provisions of the Companies Act, 2013, and Rules notified thereunder. Any term of renewal shall be subject to approval of the shareholders in the General Meeting.

2.4 If your appointment is not so renewed, then upon completion of Initial term, it shall terminate automatically, with immediate effect and without compensation.

2.5 Continuation of your appointment is also contingent of satisfactory performance and any relevant statutory provisions relating to removal of a Director / vacation of office / disqualification of Director.

### **3. Expectation of the Board**

3.1 The Board expects your active participation by providing visions and expert direction which will enable the Company to achieve excellent performance and growth.

3.2 You may be required to serve on one or more committees of the Board. You will be provided with the relevant terms of reference on your appointment to such a committee. Any such appointment will be covered in a separate communication.

3.3 It is expected that taking into account all other commitments you may have, you are able to, and will, devote sufficient time to your duties as a non executive independent director.

### **4. Duties and Responsibilities**

4.1 You will be expected to perform your duties, whether statutory or fiduciary, faithfully, efficiently and diligently to a standard commensurate with both the functions of your role and your knowledge, skills and experience.

4.2 You are expected to abide by the provisions specified in schedule IV under section 149 (8) along with provisions of section 166 of the Companies Act, 2013. A copy of these provisions are enclosed and marked as Annexure I for ready reference.

4.3 You will disclose any direct or indirect which you have in any matter being consider at a board meeting or committee meeting and you will not vote on any resolution of the Board, or of one of its committees, on any matter where you have any direct or indirect interest.

4.4 Unless specifically authorized to do so by the Board, you will not enter into any legal or other commitment or contract on behalf of the Company.

### **5. Remuneration**

5.1 Subject to provisions of Section 197 and 198 of the Companies Act, 2013, you will be entitled to sitting fees, reimbursement of expenses for participation in the Board, other committee meetings and meetings of Independent Directors and profit related commissions, as may be approved by the Shareholders.

5.2 Unless otherwise informed from our side. A sitting fee of INR 10,000/- (INR Ten Thousands Only) shall be payable to you for attending each meeting of the Board and meetings.

5.3 In case you are appointed to a committee constituted by the Board, and the meeting for Independent Directors a sitting fee of Rs. 5000/- (INR Five Thousands only) shall be payable for attending the meetings of such committees.

5.4 The Company shall reimburse all reasonable and properly documented expenses you incur in performance of duties of your office.

5.5 All fees / commissions etc. will be paid by way of a cheque drawn in your favour / direct credit to your bank account and are subject to income tax and other statutory deduction.

## **6. Code of Conducts and Ethics**

6.1 The Company expects its Independent Directors to strictly adhere to the code prescribed, under schedule IV of section 149 (8) of Companies Act, 2013. The said code forms part of this appointment letter and is enclosed for your reference.

6.2 The Board has approved a code of Ethics for Directors of the Company. A copy of the Same is enclosed and marked as Annexure II. You are expected to compliance of the same.

6.3 You acknowledge all information required during your appointment is confidential to the Company and should not be released, communicated nor disclosed either during your appointment or following termination (by whatever means), to third parties, without prior clearance from the Company. This restriction shall cease to apply to any confidential information which may (other than by reason of your breach) become available to the public generally.

6.4 You acknowledge the need to hold and retain Company information (in whatever format you may receive it) under appropriately secure conditions.

## **7. Review Process**

7.1 The performance of individual directors and the whole Board and its committees, shall be evaluated annually.

7.2 Any proposal for re-appointment for Independent Director shall be on the basis of report of performance evaluation.

## **8. Change to Personal Details**

Any changes in address and other personal contact details may please be advised to the Company Secretary promptly.

## **9. Resignation of Directors**

9.1 A Director may resign from his office by giving a notice in writing to the Company and the Board shall on receipt of such notice take note of the same and the Company shall intimate the Registrar as required under the Companies Act, 2013.

9.2 The Director shall also forward a copy of his resignation along with detailed reasons for his resignation to the registrar within thirty days of resignation.

9.3 Resignation of Director shall take effect from the date on which the notice is received by the Company, or the date, if any, specified by the Director in the notice, whichever is later.

## **10. Schedule of Meetings**

The Company Secretariat will provide you the schedule of forthcoming meetings.

Looking forward for a mutually satisfying association with you.

**Yours Sincerely**  
**For Everest Organics Limited**

**Managing Director**  
**DIN :**

**Acknowledgment**

**AGREE & ACCEPT**

I have read and understood the terms of my appointment as an Independent Director, of the Company, and I hereby affirm my acceptance to the same.

\_\_\_\_\_  
Name:

Place:

Date:

<< This is a model letter of appointment and is subject to amendment / modifications >>

**SCHEDULE IV TO THE COMPANIES ACT, 2013**

[See section 149(8)]

**CODE FOR INDEPENDENT DIRECTORS**

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfillment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

**I. Guidelines of professional conduct:**

An independent director shall:

- (1) uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising his duties;
- (3) exercise his responsibilities in a *bona fide* manner in the interest of the company;
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (5) 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;
- (6) not abuse his 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;
- (7) refrain from any action that would lead to loss of his independence;
- (8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (9) assist the company in implementing the best corporate governance practices

**II. Role and functions:**

The independent directors shall:

- (1) 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;
- (2) bring an objective view in the evaluation of the performance of board and management;
- (3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) balance the conflicting interest of the stakeholders;
- (7) 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;

- (8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

### **III. Duties :**

The independent directors shall–

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) 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;
- (3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the company;
- (6) where they 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;
- (7) keep themselves well informed about the company and the external environment in which it operates;
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- (10) 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;
- (11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- (13) 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.

### **IV. Manner of appointment:**

- (1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- (2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- (3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the

independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.

- (4) The appointment of independent directors shall be formalised through a letter of appointment, which shall set out :
  - a) the term of appointment;
  - b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
  - c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
  - d) provision for Directors and Officers (D and O) insurance, if any;
  - e) the Code of Business Ethics that the company expects its directors and employees to follow;
  - f) the list of actions that a director should not do while functioning as such in the company; and
  - g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- (5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- (6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

#### **V. Re-appointment:**

The re-appointment of independent director shall be on the basis of report of performance evaluation.

#### **VI. Resignation or removal:**

- (1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- (2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
- (3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

#### **VII. Separate meetings:**

- (1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
- (2) All the independent directors of the company shall strive to be present at such meeting;
- (3) The meeting shall:
  - a. review the performance of non-independent directors and the Board as a whole;
  - b. review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;



- c. assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**VIII. Evaluation mechanism:**

- (1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

### DUTIES OF DIRECTORS AS PER SECTION 166 OF COMPANIES ACT, 2013

- (1) Subject to the provisions of this Act, a director of a company shall act in accordance with the articles of the company.
- (2) A director of a company 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 interests of the company, its employees, the shareholders, the community and for the protection of environment.
- (3) A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (4) A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- (5) A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
- (6) A director of a company shall not assign his office and any assignment so made shall be void.
- (7) If a director of the company contravenes the provisions of this section such director shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.

## EXTRACT OF CLAUSE 49 OF THE LISTING AGREEMENT

### Responsibilities of Board:

#### 1. Disclosure of Information

- a. Members of the Board and key executives should be required to disclose to the board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the company.
- b. The Board and top management should conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture for good decision-making.

#### 2. Key functions of the Board

The board should fulfill certain key functions, including:

- a. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments.
- b. Monitoring the effectiveness of the company's governance practices and making changes as needed.
- c. Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning.
- d. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders.
- e. Ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.
- f. Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.
- g. Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
- h. Overseeing the process of disclosure and communications.
- i. Monitoring and reviewing Board Evaluation framework.

#### 3. Other responsibilities

- a. The Board should provide the strategic guidance to the company, ensure effective monitoring of the management and should be accountable to the company and the shareholders.
- b. The Board should set a corporate culture and the values by which executives throughout a group will behave.

- c. Board members should act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company and the shareholders.
- d. The Board should encourage continuing directors training to ensure that the Board members are kept up to date.
- e. Where Board decisions may affect different shareholder groups differently, the Board should treat all shareholders fairly.
- f. The Board should apply high ethical standards. It should take into account the interests of stakeholders.
- g. The Board should be able to exercise objective independent judgement on corporate affairs.
- h. Boards should consider assigning a sufficient number of non-executive Board members capable of exercising independent judgement to tasks where there is a potential for conflict of interest.
- i. The Board should ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the company to excessive risk.
- j. The Board should have ability to 'step back' to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the company's focus.
- k. When committees of the board are established, their mandate, composition and working procedures should be well defined and disclosed by the board.
- l. Board members should be able to commit themselves effectively to their responsibilities.
- m. In order to fulfil their responsibilities, board members should have access to accurate, relevant and timely information.

The Board and senior management should facilitate the Independent Directors to perform their role effectively

**CODE OF CONDUCT & ETHICS  
FOR MEMBERS OF THE BOARD OF DIRECTORS  
OF EVEREST ORGANICS LIMITED (EOL)**

The Code of conduct and ethics for directors of the Company are applicable to the Members to the Board of Directors.

**Code of Conduct & Ethics are as follows:**

- Act in the best interest of, and fulfill their fiduciary obligations to all Shareholders of Everest Organics Limited;
- Act honestly, fairly, ethically and with integrity;
- Conduct themselves in a professional, courteous and respectful manner and not take improper advantage of their positions.
- Will deal fairly with all stakeholders;
- Comply with all applicable rules, laws and regulations and EOL's Policies;
- Act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgment to be subordinated;
- Not use the Company's property or position for personal gain;
- Not offer, give or receive gifts from persons or entities that deal with the Company;
- Not use Company's assets, labour or information for personal use unless approved by proper authority, or as part of compensation and expense reimbursement program available to all Directors;
- Shall not derive benefit or assist others to derive benefit by giving investment advice from the access to and possession of information about the Company, not in public domain, and therefore constituting insider information.
- Will comply with the prevention of insider trading guidelines as issued by SEBI;
- Committed to and support a functioning democratic constitution and system with transparent and fair electoral system in India;
- Shall not support directly or indirectly, any specific political party, or candidate for any for political office;
- Shall not offer or give any Company's funds or property as donations, directly or indirectly to any specific political party, candidate and campaign if it is violating any law;
- Not accepting compensation (in any form) for services performed for the Company from any source other than the Company;

- Not receive a personal benefit from a person or firm, which is seeking to do business or to retain business with the Company. A Director shall keep away himself/herself from any Company Board decisions involving other firm or company with which the Director is affiliated;
- Not use any information or opportunity received by them in their capacity as Director in a manner that would be detrimental in a Company's Interests;
- Act in a manner to enhance and maintain the reputation of the Company;
- Disclose any personal interest that they may have regarding any matter that may come before the Board and abstain from discussion, voting or otherwise influencing a decision on any matter in which a concerned Director has or may have such an interest;
- Abstain from discussion, voting or otherwise influencing a decision on any matter that they come before the Board in which they may have a conflict or potential conflict of interest;
- Avoid situations that may give rise to an actual or potential conflict of interest or the appearance of conflict of interest and promptly informed the Chairman of the Board of any conflict, potential conflict or appearance of conflict;
- Make available to and share with fellow Directors information as may be appropriate to ensure proper conduct and sound operations of EOL's and its Board of Directors;
- Respect the confidentiality of information relating to the affairs of the Company, acquired in the course of their services as Directors, except when authorized or legally required to disclose such information; and
- Help to create and maintain a culture of high ethical standard and commitment to compliance;
- Any waiver of this Code may be made by the Board of Directors must be promptly disclosed to the Company's Shareholders.

The Independent Directors shall additionally adhere to the code laid down to the schedule IV of the Companies Act, 2013 and shall fulfill their duties with utmost sincerity which shall inter alia, include, amongst others, the following:

- 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 expenses of the Company.
- Strive to attend all meetings of the Board of Directors and of the Board Committees of which they are members.
- Participate constructively and actively in the Committees of the Board in which they are chairpersons or members.

- Strive to attend the general meetings of the Company.
- Where they have concern about the running of the Company or proposed action, to ensure that these are addressed by the Board and, to the extent they are not resolved to insist that their concerns are recorded in the minutes of the Board Meeting.
- Keep themselves well informed about the Company and the external environment in which it operates.
- Not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board.
- Pay sufficient attention and ensure that adequate deliberations are held before providing related party transactions and assure themselves that the same are in the interest of the Company.
- Ascertain and ensure that the Company adequate and functional vigil mechanism and to ensures that the interests of the person who uses such mechanism are not prejudicially affected on account of such use.
- Report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's Code of Conduct or ethics policy.
- While acting in their authority, assist in protecting the legitimate interest of the Company, shareholders and its employees.
- Not to 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.

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**Declaration of Independence**  
(Pursuant to sub-section (7) of Section 149 of the Companies Act, 2013)

**Date:**

**The Board of Directors  
Everest Organics Limited  
L24230TGPLC015426  
Arror Village, Sadasivpet Mandal  
Medak District,  
Telangana - 502291  
India**

**Dear Sirs,**

Pursuant to sub-section (7) of Section 149 of Companies Act, 2013 ('Act') , I, \_\_\_\_\_ (DIN : \_\_\_\_\_) hereby declare that I meet the criteria of independence in accordance with sub-section (6) of Section 149 and as per Listing Agreement, as stated below:

- a. I am / was not a promoter of the company or its holding, subsidiary or associate company;
- b. I am not related to promoters or directors in the company, its holding, subsidiary or associate company;
- c. I did not have any pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- d. None of my relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or fifty lakhs or such higher amount as may be prescribed, whichever is lower during the two immediately preceding financial years or during the current financial year.
- e. I, neither by myself nor any of my relatives—
  - (i) holds or has held the position of a key managerial personnel or is or has been an employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding \_\_\_\_\_;
  - (ii) am or have been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year \_\_\_\_\_, of—
    - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
  - (iii) holds together with my relatives two per cent or more of the total voting power of the company; or
  - (iv) is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of the receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that hold two per cent or more of the total voting power of the company.
  - (v) is a material supplier, service provider or customer or a lessor or lessee of the Company;
- f. I am not less than 21 years of age.



I am giving this declaration to enable the Board for determining its composition as envisaged in Clause 49 of the Listing Agreement with the Stock Exchanges and further confirming compliance as per Section 149 of the Act read with the Rules made there under.

I hereby confirm adherence to the standards of Code of Conduct for Independent Directors prescribed in Schedule IV of the Act.

I undertake to keep the Board informed immediately about any change in the circumstances which may affect my status of independence as per Section 149 (6) of the Act.

Signature	:	_____
Name	:	
Designation	:	Independent Director
DIN	:	
Address	:	