

17<sup>th</sup> July, 2014

LT. GEN. D.B. SINGH  
48-P, Sector 4  
Mansadevi  
Punchakula  
Haryana – 134 107.

Dear Lt. Gen D B Singh,

**Sub: Appointment / Re-appointment of the Independent Director**

I am pleased to inform you that upon the recommendation of the Nominations and Remuneration Committee and the Board of Directors (“the Board”) of Agro Tech Foods Limited (“the Company”), the shareholders of the Company have approved your appointment / re-appointment as an Independent director (“Independent Director”) at the Annual General Meeting of the Company held on 17<sup>th</sup> July, 2014 for a term of 5 years. This letter sets out the terms of your appointment / re-appointment.

**1. Appointment / Re-appointment**

In accordance with the provisions of the Companies Act, 2013 and other applicable laws, you will serve as an Independent Director of the Board till July, 2019.

**2. Board Committees**

2.1. During the tenure of office, you may be required to serve on one or more of the Committees of the Board established by the Company, on the advice of the Board. Upon your appointment to any one or more Committees, you will be provided with the appropriate Committee Charter which sets out the role and functions of that Committee.

2.2. Currently, the Board has four committees: Audit Committee, Nomination and Remuneration Committee, Stakeholders Grievance Committee and Corporate Social Responsibility Committee. All committees have a majority of the Members as Independent directors. The Board is

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responsible for constituting, assigning, co-opting and fixing terms of service for committee members. The chairperson of the Board, in consultation with the Company Secretary and the Committee Chairperson, determines the frequency and duration of the committee meetings. Normally, the committees meet four times a year. Recommendations of the committees are submitted to the full Board for approval. The quorum for meetings is either two members of the committee or one-third of the members of the committee, whichever is higher.

2.3. You have been nominated to serve on the following committees as of now :

(A) Audit Committee

The Audit Committee has the full power and authority to monitor and provide effective processes, including external and internal auditors and officers of the Company, and the financial controls and systems to ensure integrity of the financial reporting of the Company and accurate and timely disclosures.

(B) Nomination and Remuneration Committee

The purpose of this Committee is to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.

(C) Stakeholders Grievance Committee

This committee has a mandate to review and redress shareholder grievances.

(D) Corporate Social Responsibility Committee

The purpose of the CSR Committee is to formulate a CSR policy for the Company, to indicate the activities to be undertaken by the

Company, and to recommend the amount of expenditure to be incurred on the abovementioned activities and monitor the CSR policy from time to time.

### **3. Orientation of the Board**

Every new independent director of the Board attends on orientation program. Presentations are made wherever necessary. The presentations cover an overview of our strategy and operations to familiarize the new inductees about the strategy, operations and functions of our company. The induction program will provide an opportunity to interact with the leadership team of the Company and help the inductees understand the Company's strategy, operations, service and product offerings, markets, finance, HR, technology, quality, facilities and risk management. You will also undergo a training program to familiarize yourself with the company, your role, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc.

### **4. Professional Conduct**

As an Independent Director, you shall:

- a) uphold ethical standards of integrity and probity;
- b) act objectively and constructively while exercising your duties;
- c) exercise your responsibilities in a bona fide manner in the interest of the Company;
- d) devote sufficient time and attention to your professional obligations for informed and balanced decision-making;
- e) not allow any extraneous considerations to distract the 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 where necessary;

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- f) not abuse your position to the detriment of the Company or its shareholders or for gaining directly or indirectly any personal advantage or gain for yourself or any related persons;
- g) refrain from any action that could lead to a loss of your independence;
- h) ensure that if circumstances arise under which you may lose your independence, you will immediately inform the Board accordingly;
- i) assist the Company in implementing the best corporate governance practices.

## **5. Functions, Responsibilities and Duties of Directors**

### **5.1 Functions**

- (a) To review the Company's strategy, the annual financial plan and monitor the Company's performance:

The primary role of the members of the Board is to exercise their independent business judgment to act in what they believe to be in the best interests of the Company and its shareholders in terms of issues of strategy, performance, risk management, resources, key appointments and standards of conduct. Generally, the Board meets once a quarter. The quarterly meeting of the Board includes updates on the business/operations, finance and other support functions and discussions on such updates. The Audit Committee of the Board reviews the Company's financials and recommends the same to the Board for its acceptance.

- (b) To review management performance and compensation:

The Nomination and Remuneration Committee of the Board shall evaluate the performance of the Leadership Team of the Company and recommend their compensation for the ensuing year to the Board. Such compensation may include stocks, options and define other criterion including succession of the leadership team as specified under the Companies Act, 2013 and publish the same in the Directors' Report. The

Board shall also scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.

(c) To advice and counsel the Management:

The Board should be composed of individuals whose knowledge, background, experience and judgment are valuable to the Company. They should also be capable of providing advice to the Company. Members of the Board have full access to the Management and other employees as well as to the Company's records and documents. The Board may also seek legal or other expert advice from a source independent of the Management. The Board shall also moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

(d) To monitor and manage potential conflicts of interests of the Management:

The Audit Committee of the Board reviews and approves related party transactions, as required under the provisions of the Companies Act, 2013 and under terms of the Listing Agreement entered into with the Stock Exchanges.

(e) To oversee and ensure the integrity of financial information and legal compliance:

The Audit Committee of the Board oversees the Company's accounting and financial reporting processes and audit of the Company's financial statements and assists the Board in the overseeing of (1) the integrity of the Company's financial statements, (2) the Company's compliance with legal and regulatory requirements, (3) the independent auditor's qualifications, independence and performance, and (4) the Company's internal accounting and financial controls.

## 5.2 Responsibilities

Independent directors have the same general legal responsibilities and liabilities to the Company as that of any other director. The Board, as a whole, is collectively



responsible for ensuring the success of the Company by directing and supervising the Company's affairs.

The Board:

- (a) Provides leadership to the Company within a framework of prudent and effective controls which enable risk to be assessed and managed;
- (b) sets the Company's strategic aims, ensures that the necessary financial and human resource requirements are in place for the Company to meet its objectives, and reviews management performance;
- (c) sets the Company's virtues and standards, ensures that its obligations to its shareholders and others are understood and met by the Company.

5.3 Duties:

As an independent Director, you shall:

- (a) regularly update and refresh your skills, knowledge and familiarity with the Company;
- (b) seek appropriate clarification and, where necessary, seek and follow appropriate professional guidance from external experts at the cost of the Company;
- (c) strive to attend every meeting of the Board and of the Board committees of which you are a member;
- (d) actively and constructively participate in the Board committees of the Board in which you may be a member or the Chairperson;
- (e) strive to attend the general meetings of the Company;
- (f) ensure that any concerns that you may have about the running of the Company are addressed by the Board and seek inclusion of these concerns in the Board minutes to the extent these concerns are not resolved;
- (g) keep yourself well informed about the Company and the external environment in which it operates;

- (h) not unfairly obstruct the functioning of an otherwise proper Board or committee;
- (i) ensure that related party transactions are considered carefully before they are approved and are in the interest of the Company;
- (j) ensure that the whistleblower function of the Company is functioning adequately;
- (k) report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics;
- (l) within your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- (m) not disclose any confidential information unless such disclosures is expressly approved by the Board or required by law.

## **6. Fees:**

6.1 The compensation of the non-executive / independent directors is approved by the Board subject to the approval of the shareholders. This amount shall not exceed 1% of the net profit of the Company for the year calculated as per the provisions of the Companies Act, 2013. Commission of Rs. 3,12,500/- per annum shall be paid along with a Sitting fees at the rate of Rs. 1,00,00/- per Meeting of the Board, Rs. 75,000/- per Audit Committee and Rs. 25,000/- for any other Committee thereof.

6.2. In addition to the above, non-executive /independent directors would be entitled to the reimbursement of only the following items of expenditure that may be incurred in travelling to the place of the Board meetings and other committee meetings of the Company and back to their normal place of residence.

- (a) Airfare from the normal place of residence to the place of the Board or Committee meetings and back to their place of residence.

(b) Accommodation at any hotel as determined by the Company for the duration of Board and Committee Meetings, and during the day prior to and after such meetings.

(c) Out-of-Pocket expenses, like conveyance, food, and incidentals that are incurred during the days of Board and Committee meetings.

## **7. D & O Insurance**

The Company maintains a Directors and Officers Insurance policy (D&O Policy) amounting to USD 10 MM to pay for the personal liability of Directors and Officers for claims made against them while serving on the Board and / or as an officer of the Company.

## **8. Term**

8.1 Subject to applicable law, independent directors are eligible to serve for a term of 5 years and another subsequent term of 5 years subject to approval of the shareholders through a special resolution.

Provided that a person who has already served as an independent director for five years or more in a company as on October 1, 2014 shall be eligible for appointment, on completion of his present term, for one more term of up to five years only.

Independent Directors shall also be subject to performance evaluation as per the criterion laid down by the Nomination and Remuneration Committee. This evaluation shall be carried out by the entire Board of Directors excluding the Director being evaluated and it shall be determined whether to extend or continue the term of appointment of the independent director.

## **9. Membership of other boards**

9.1 It is expected that you will not serve on the Boards of competing companies. Apart from the applicable law and good corporate governance practices, there are no other additional limitations.



## **10. Information on meetings**

### 10.1 Scheduling and selection of agenda items from Board Meetings

Dates for Board meeting for the ensuing year are decided in advance. Normally, the Board meets once in a quarter to review the quarterly results and other items on agenda. Additional meetings are held based on need.

### 10.2 Availability of information to the Board

The Board has full and unfettered access to any information of the Company, and to any employee of the Company. At Board Meetings, the Board may invite Leadership Team Members of the Company when additional details into the items being discussed are required.

### 10.3 Independent directors' discussion

The Board's policy is to have regular "Independent directors only" meetings so that they can have a full and frank discussion on the performance of the Company, risks faced by the Company, the performance of executive members of Board including the chairperson and 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.

## **11. Mechanism for evaluating Board Members:**

The Chairperson of Nomination and Remuneration Committee shall conduct an annual Board evaluation and a peer evaluation survey to assess the performance of the Board and the Committees as a whole and that of the individual Board and Committee members. Performance is assessed based on clearly defined objective criteria as decided by the Nomination and Remuneration Committee.

Some of the performance indicators based on which the independent directors are evaluated are:

- (a) ability to contribute to and monitor our corporate governance practices;
- (b) ability to contribute by introducing international best practices to address top management issues;
- (c) active participation in long term strategic planning;
- (d) commitment to the fulfillment of Director's obligations; and
- (e) fiduciary responsibilities

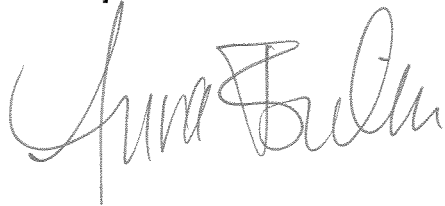
**12. Dealing in shares and Code of Conduct**

Directors are prohibited from dealing in Company's shares during the period when the trading window is closed. Further, Directors, being designated officers of the Company for the purpose of insider trading guidelines, are to obtain pre-clearance from the Company before dealing with the shares of the Company. You are required to comply with the applicable insider trading laws and regulations. You are also required to comply with the Company's Code of Conduct and Ethics.

It is a pleasure to have you on board and I am confident that your experience, expertise and guidance will immensely benefit the Company and the Board.

Yours Truly,

**Chairperson of the Board**



17<sup>th</sup> July, 2014

Mr. Sanjaya Kulkarni  
A-12 Technocraft Society  
Twin Tower Lane  
Prabadevi  
MUMBAI – 400 025

Dear Mr. Sanjaya Kulkarni,

**Sub: Appointment / Re-appointment of the Independent Director**

I am pleased to inform you that upon the recommendation of the Nominations and Remuneration Committee and the Board of Directors (“the Board”) of Agro Tech Foods Limited (“the Company”), the shareholders of the Company have approved your appointment / re-appointment as an Independent director (“Independent Director”) at the Annual General Meeting of the Company held on 17<sup>th</sup> July, 2014 for a term of 5 years. This letter sets out the terms of your appointment / re-appointment.

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2.2. Currently, the Board has four committees: Audit Committee, Nomination and Remuneration Committee, Stakeholders Grievance Committee and Corporate Social Responsibility Committee. All committees have a

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majority of the Members as Independent directors. The Board is responsible for constituting, assigning, co-opting and fixing terms of service for committee members. The chairperson of the Board, in consultation with the Company Secretary and the Committee Chairperson, determines the frequency and duration of the committee meetings. Normally, the committees meet four times a year. Recommendations of the committees are submitted to the full Board for approval. The quorum for meetings is either two members of the committee or one-third of the members of the committee, whichever is higher.

2.3. You have been nominated to serve on the following committees as of now :

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The purpose of this Committee is to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.

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This committee has a mandate to review and redress shareholder grievances.

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## **Agro Tech Foods Limited**

The purpose of the CSR Committee is to formulate a CSR policy for the Company, to indicate the activities to be undertaken by the Company, and to recommend the amount of expenditure to be incurred on the abovementioned activities and monitor the CSR policy from time to time.

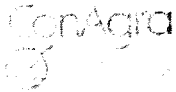
### **3. Orientation of the Board**

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### **4. Professional Conduct**

As an Independent Director, you shall:

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- b) act objectively and constructively while exercising your duties;
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- d) devote sufficient time and attention to your professional obligations for informed and balanced decision-making;
- e) not allow any extraneous considerations to distract the 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 where necessary;

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- f) not abuse your position to the detriment of the Company or its shareholders or for gaining directly or indirectly any personal advantage or gain for yourself or any related persons;
- g) refrain from any action that could lead to a loss of your independence;
- h) ensure that if circumstances arise under which you may lose your independence, you will immediately inform the Board accordingly;
- i) assist the Company in implementing the best corporate governance practices.

## **5. Functions, Responsibilities and Duties of Directors**

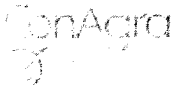
### **5.1 Functions**

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Board shall also scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.

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## 5.2 Responsibilities

Independent directors have the same general legal responsibilities and liabilities to the Company as that of any other director. The Board, as a whole, is collectively

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responsible for ensuring the success of the Company by directing and supervising the Company's affairs.

The Board:

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### 5.3 Duties:

As an independent Director, you shall:

- (a) regularly update and refresh your skills, knowledge and familiarity with the Company;
- (b) seek appropriate clarification and, where necessary, seek and follow appropriate professional guidance from external experts at the cost of the Company;
- (c) strive to attend every meeting of the Board and of the Board committees of which you are a member;
- (d) actively and constructively participate in the Board committees of the Board in which you may be a member or the Chairperson;
- (e) strive to attend the general meetings of the Company;
- (f) ensure that any concerns that you may have about the running of the Company are addressed by the Board and seek inclusion of these concerns in the Board minutes to the extent these concerns are not resolved;
- (g) keep yourself well informed about the Company and the external environment in which it operates;



- (h) not unfairly obstruct the functioning of an otherwise proper Board or committee;
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- (l) within your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
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It is a pleasure to have you on board and I am confident that your experience, expertise and guidance will immensely benefit the Company and the Board.

Yours Truly,



**Chairperson of the Board**

17<sup>th</sup> July, 2014

Mr. Arun Bewoor  
15B, Belvedere Court  
Sane Guruji Marg  
Mahalaxmi  
Mumbai - 400 011

Dear Mr. Arun Bewoor,

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### **4. Professional Conduct**

As an Independent Director, you shall:

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- f) not abuse your position to the detriment of the Company or its shareholders or for gaining directly or indirectly any personal advantage or gain for yourself or any related persons;
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## **5. Functions, Responsibilities and Duties of Directors**

### **5.1 Functions**

- (a) To review the Company's strategy, the annual financial plan and monitor the Company's performance:

The primary role of the members of the Board is to exercise their independent business judgment to act in what they believe to be in the best interests of the Company and its shareholders in terms of issues of strategy, performance, risk management, resources, key appointments and standards of conduct. Generally, the Board meets once a quarter. The quarterly meeting of the Board includes updates on the business/operations, finance and other support functions and discussions on such updates. The Audit Committee of the Board reviews the Company's financials and recommends the same to the Board for its acceptance.

- (b) To review management performance and compensation:

The Nomination and Remuneration Committee of the Board shall evaluate the performance of the Leadership Team of the Company and recommend their compensation for the ensuing year to the Board. Such compensation may include stocks, options and define other criterion including succession of the leadership team as specified under the Companies Act, 2013 and publish the same in the Directors' Report. The



Board shall also scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.

(c) To advice and counsel the Management:

The Board should be composed of individuals whose knowledge, background, experience and judgment are valuable to the Company. They should also be capable of providing advice to the Company. Members of the Board have full access to the Management and other employees as well as to the Company's records and documents. The Board may also seek legal or other expert advice from a source independent of the Management. The Board shall also moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

(d) To monitor and manage potential conflicts of interests of the Management:

The Audit Committee of the Board reviews and approves related party transactions, as required under the provisions of the Companies Act, 2013 and under terms of the Listing Agreement entered into with the Stock Exchanges.

(e) To oversee and ensure the integrity of financial information and legal compliance:

The Audit Committee of the Board oversees the Company's accounting and financial reporting processes and audit of the Company's financial statements and assists the Board in the overseeing of (1) the integrity of the Company's financial statements, (2) the Company's compliance with legal and regulatory requirements, (3) the independent auditor's qualifications, independence and performance, and (4) the Company's internal accounting and financial controls.

## 5.2 Responsibilities

Independent directors have the same general legal responsibilities and liabilities to the Company as that of any other director. The Board, as a whole, is collectively

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responsible for ensuring the success of the Company by directing and supervising the Company's affairs.

The Board:

- (a) Provides leadership to the Company within a framework of prudent and effective controls which enable risk to be assessed and managed;
- (b) sets the Company's strategic aims, ensures that the necessary financial and human resource requirements are in place for the Company to meet its objectives, and reviews management performance;
- (c) sets the Company's virtues and standards, ensures that its obligations to its shareholders and others are understood and met by the Company.

5.3 Duties:

As an independent Director, you shall:

- (a) regularly update and refresh your skills, knowledge and familiarity with the Company;
- (b) seek appropriate clarification and, where necessary, seek and follow appropriate professional guidance from external experts at the cost of the Company;
- (c) strive to attend every meeting of the Board and of the Board committees of which you are a member;
- (d) actively and constructively participate in the Board committees of the Board in which you may be a member or the Chairperson;
- (e) strive to attend the general meetings of the Company;
- (f) ensure that any concerns that you may have about the running of the Company are addressed by the Board and seek inclusion of these concerns in the Board minutes to the extent these concerns are not resolved;
- (g) keep yourself well informed about the Company and the external environment in which it operates;

- (h) not unfairly obstruct the functioning of an otherwise proper Board or committee;
- (i) ensure that related party transactions are considered carefully before they are approved and are in the interest of the Company;
- (j) ensure that the whistleblower function of the Company is functioning adequately;
- (k) report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics;
- (l) within your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- (m) not disclose any confidential information unless such disclosures is expressly approved by the Board or required by law.

**6. Fees:**

6.1 The compensation of the non-executive / independent directors is approved by the Board subject to the approval of the shareholders. This amount shall not exceed 1% of the net profit of the Company for the year calculated as per the provisions of the Companies Act, 2013. Commission of Rs. 3,12,500/- per annum shall be paid along with a Sitting fees at the rate of Rs. 1,00,00/- per Meeting of the Board, Rs. 75,000/- per Audit Committee and Rs. 25,000/- for any other Committee thereof.

6.2. In addition to the above, non-executive /independent directors would be entitled to the reimbursement of only the following items of expenditure that may be incurred in travelling to the place of the Board meetings and other committee meetings of the Company and back to their normal place of residence.

- (a) Airfare from the normal place of residence to the place of the Board or Committee meetings and back to their place of residence.

(b) Accommodation at any hotel as determined by the Company for the duration of Board and Committee Meetings, and during the day prior to and after such meetings.

(c) Out-of-Pocket expenses, like conveyance, food, and incidentals that are incurred during the days of Board and Committee meetings.

## **7. D & O Insurance**

The Company maintains a Directors and Officers Insurance policy (D&O Policy) amounting to USD 10 MM to pay for the personal liability of Directors and Officers for claims made against them while serving on the Board and / or as an officer of the Company.

## **8. Term**

8.1 Subject to applicable law, independent directors are eligible to serve for a term of 5 years and another subsequent term of 5 years subject to approval of the shareholders through a special resolution.

Provided that a person who has already served as an independent director for five years or more in a company as on October 1, 2014 shall be eligible for appointment, on completion of his present term, for one more term of up to five years only.

Independent Directors shall also be subject to performance evaluation as per the criterion laid down by the Nomination and Remuneration Committee. This evaluation shall be carried out by the entire Board of Directors excluding the Director being evaluated and it shall be determined whether to extend or continue the term of appointment of the independent director.

## **9. Membership of other boards**

9.1 It is expected that you will not serve on the Boards of competing companies. Apart from the applicable law and good corporate governance practices, there are no other additional limitations.

## **10. Information on meetings**

### 10.1 Scheduling and selection of agenda items from Board Meetings

Dates for Board meeting for the ensuing year are decided in advance. Normally, the Board meets once in a quarter to review the quarterly results and other items on agenda. Additional meetings are held based on need.

### 10.2 Availability of information to the Board

The Board has full and unfettered access to any information of the Company, and to any employee of the Company. At Board Meetings, the Board may invite Leadership Team Members of the Company when additional details into the items being discussed are required.

### 10.3 Independent directors' discussion

The Board's policy is to have regular "Independent directors only" meetings so that they can have a full and frank discussion on the performance of the Company, risks faced by the Company, the performance of executive members of Board including the chairperson and 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.

## **11. Mechanism for evaluating Board Members:**

The Chairperson of Nomination and Remuneration Committee shall conduct an annual Board evaluation and a peer evaluation survey to assess the performance of the Board and the Committees as a whole and that of the individual Board and Committee members. Performance is assessed based on clearly defined objective criteria as decided by the Nomination and Remuneration Committee.

Some of the performance indicators based on which the independent directors are evaluated are:

- (a) ability to contribute to and monitor our corporate governance practices;
- (b) ability to contribute by introducing international best practices to address top management issues;
- (c) active participation in long term strategic planning;
- (d) commitment to the fulfillment of Director's obligations; and
- (e) fiduciary responsibilities

## **12. Dealing in shares and Code of Conduct**

Directors are prohibited from dealing in Company's shares during the period when the trading window is closed. Further, Directors, being designated officers of the Company for the purpose of insider trading guidelines, are to obtain pre-clearance from the Company before dealing with the shares of the Company. You are required to comply with the applicable insider trading laws and regulations. You are also required to comply with the Company's Code of Conduct and Ethics.

It is a pleasure to have you on board and I am confident that your experience, expertise and guidance will immensely benefit the Company and the Board.

Yours Truly,



**Chairperson of the Board**

17<sup>th</sup> July, 2014

Mr. Narendra Kumar Anand Ambwani  
1210A, Sterling Seaface  
Dr. A B Road, Worli  
Mumbai - 400 018

Dear Mr. Narendra Ambwani,

**Sub: Appointment / Re-appointment of the Independent Director**

I am pleased to inform you that upon the recommendation of the Nominations and Remuneration Committee and the Board of Directors ("the Board") of Agro Tech Foods Limited ("the Company"), the shareholders of the Company have approved your appointment / re-appointment as an Independent director ("Independent Director") at the Annual General Meeting of the Company held on 17<sup>th</sup> July, 2014 for a term of 5 years. This letter sets out the terms of your appointment / re-appointment.


**1. Appointment / Re-appointment**

In accordance with the provisions of the Companies Act, 2013 and other applicable laws, you will serve as an Independent Director of the Board till July, 2019.

**2. Board Committees**

2.1. During the tenure of office, you may be required to serve on one or more of the Committees of the Board established by the Company, on the advice of the Board. Upon your appointment to any one or more Committees, you will be provided with the appropriate Committee Charter which sets out the role and functions of that Committee.

2.2. Currently, the Board has four committees: Audit Committee, Nomination and Remuneration Committee, Stakeholders Grievance Committee and Corporate Social Responsibility Committee. All committees have a majority of the Members as Independent directors. The Board is

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responsible for constituting, assigning, co-opting and fixing terms of service for committee members. The chairperson of the Board, in consultation with the Company Secretary and the Committee Chairperson, determines the frequency and duration of the committee meetings. Normally, the committees meet four times a year. Recommendations of the committees are submitted to the full Board for approval. The quorum for meetings is either two members of the committee or one-third of the members of the committee, whichever is higher.

2.3. You have been nominated to serve on the following committees as of now :

(A) Audit Committee

The Audit Committee has the full power and authority to monitor and provide effective processes, including external and internal auditors and officers of the Company, and the financial controls and systems to ensure integrity of the financial reporting of the Company and accurate and timely disclosures.

(B) Nomination and Remuneration Committee

The purpose of this Committee is to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.

(C) Stakeholders Grievance Committee

This committee has a mandate to review and redress shareholder grievances.

(D) Corporate Social Responsibility Committee

The purpose of the CSR Committee is to formulate a CSR policy for the Company, to indicate the activities to be undertaken by the



Company, and to recommend the amount of expenditure to be incurred on the abovementioned activities and monitor the CSR policy from time to time.

### **3. Orientation of the Board**

Every new independent director of the Board attends on orientation program. Presentations are made wherever necessary. The presentations cover an overview of our strategy and operations to familiarize the new inductees about the strategy, operations and functions of our company. The induction program will provide an opportunity to interact with the leadership team of the Company and help the inductees understand the Company's strategy, operations, service and product offerings, markets, finance, HR, technology, quality, facilities and risk management. You will also undergo a training program to familiarize yourself with the company, your role, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc.

### **4. Professional Conduct**

As an Independent Director, you shall:

- a) uphold ethical standards of integrity and probity;
- b) act objectively and constructively while exercising your duties;
- c) exercise your responsibilities in a bona fide manner in the interest of the Company;
- d) devote sufficient time and attention to your professional obligations for informed and balanced decision-making;
- e) not allow any extraneous considerations to distract the 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 where necessary;

- f) not abuse your position to the detriment of the Company or its shareholders or for gaining directly or indirectly any personal advantage or gain for yourself or any related persons;
- g) refrain from any action that could lead to a loss of your independence;
- h) ensure that if circumstances arise under which you may lose your independence, you will immediately inform the Board accordingly;
- i) assist the Company in implementing the best corporate governance practices.

## **5. Functions, Responsibilities and Duties of Directors**

### **5.1 Functions**

- (a) To review the Company's strategy, the annual financial plan and monitor the Company's performance:

The primary role of the members of the Board is to exercise their independent business judgment to act in what they believe to be in the best interests of the Company and its shareholders in terms of issues of strategy, performance, risk management, resources, key appointments and standards of conduct. Generally, the Board meets once a quarter. The quarterly meeting of the Board includes updates on the business/operations, finance and other support functions and discussions on such updates. The Audit Committee of the Board reviews the Company's financials and recommends the same to the Board for its acceptance.

- (b) To review management performance and compensation:

The Nomination and Remuneration Committee of the Board shall evaluate the performance of the Leadership Team of the Company and recommend their compensation for the ensuing year to the Board. Such compensation may include stocks, options and define other criterion including succession of the leadership team as specified under the Companies Act, 2013 and publish the same in the Directors' Report. The

Board shall also scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.

(c) To advice and counsel the Management:

The Board should be composed of individuals whose knowledge, background, experience and judgment are valuable to the Company. They should also be capable of providing advice to the Company. Members of the Board have full access to the Management and other employees as well as to the Company's records and documents. The Board may also seek legal or other expert advice from a source independent of the Management. The Board shall also moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

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## 5.2 Responsibilities

Independent directors have the same general legal responsibilities and liabilities to the Company as that of any other director. The Board, as a whole, is collectively

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responsible for ensuring the success of the Company by directing and supervising the Company's affairs.

The Board:

- (a) Provides leadership to the Company within a framework of prudent and effective controls which enable risk to be assessed and managed;
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As an independent Director, you shall:

- (a) regularly update and refresh your skills, knowledge and familiarity with the Company;
- (b) seek appropriate clarification and, where necessary, seek and follow appropriate professional guidance from external experts at the cost of the Company;
- (c) strive to attend every meeting of the Board and of the Board committees of which you are a member;
- (d) actively and constructively participate in the Board committees of the Board in which you may be a member or the Chairperson;
- (e) strive to attend the general meetings of the Company;
- (f) ensure that any concerns that you may have about the running of the Company are addressed by the Board and seek inclusion of these concerns in the Board minutes to the extent these concerns are not resolved;
- (g) keep yourself well informed about the Company and the external environment in which it operates;

- (h) not unfairly obstruct the functioning of an otherwise proper Board or committee;
- (i) ensure that related party transactions are considered carefully before they are approved and are in the interest of the Company;
- (j) ensure that the whistleblower function of the Company is functioning adequately;
- (k) report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics;
- (l) within your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- (m) not disclose any confidential information unless such disclosures is expressly approved by the Board or required by law.

**6. Fees:**

6.1 The compensation of the non-executive / independent directors is approved by the Board subject to the approval of the shareholders. This amount shall not exceed 1% of the net profit of the Company for the year calculated as per the provisions of the Companies Act, 2013. Commission of Rs. 3,12,500/- per annum shall be paid along with a Sitting fees at the rate of Rs. 1,00,00/- per Meeting of the Board, Rs. 75,000/- per Audit Committee and Rs. 25,000/- for any other Committee thereof.

6.2. In addition to the above, non-executive /independent directors would be entitled to the reimbursement of only the following items of expenditure that may be incurred in travelling to the place of the Board meetings and other committee meetings of the Company and back to their normal place of residence.

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## **8. Term**

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Independent Directors shall also be subject to performance evaluation as per the criterion laid down by the Nomination and Remuneration Committee. This evaluation shall be carried out by the entire Board of Directors excluding the Director being evaluated and it shall be determined whether to extend or continue the term of appointment of the independent director.

## **9. Membership of other boards**

9.1 It is expected that you will not serve on the Boards of competing companies. Apart from the applicable law and good corporate governance practices, there are no other additional limitations.

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## **10. Information on meetings**

### 10.1 Scheduling and selection of agenda items from Board Meetings

Dates for Board meeting for the ensuing year are decided in advance. Normally, the Board meets once in a quarter to review the quarterly results and other items on agenda. Additional meetings are held based on need.

### 10.2 Availability of information to the Board

The Board has full and unfettered access to any information of the Company, and to any employee of the Company. At Board Meetings, the Board may invite Leadership Team Members of the Company when additional details into the items being discussed are required.

### 10.3 Independent directors' discussion

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## **11. Mechanism for evaluating Board Members:**

The Chairperson of Nomination and Remuneration Committee shall conduct an annual Board evaluation and a peer evaluation survey to assess the performance of the Board and the Committees as a whole and that of the individual Board and Committee members. Performance is assessed based on clearly defined objective criteria as decided by the Nomination and Remuneration Committee.

Some of the performance indicators based on which the independent directors are evaluated are:

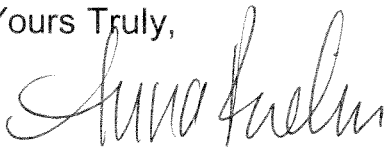
- (a) ability to contribute to and monitor our corporate governance practices;
- (b) ability to contribute by introducing international best practices to address top management issues;
- (c) active participation in long term strategic planning;
- (d) commitment to the fulfillment of Director's obligations; and
- (e) fiduciary responsibilities

## **12. Dealing in shares and Code of Conduct**

Directors are prohibited from dealing in Company's shares during the period when the trading window is closed. Further, Directors, being designated officers of the Company for the purpose of insider trading guidelines, are to obtain pre-clearance from the Company before dealing with the shares of the Company. You are required to comply with the applicable insider trading laws and regulations. You are also required to comply with the Company's Code of Conduct and Ethics.

It is a pleasure to have you on board and I am confident that your experience, expertise and guidance will immensely benefit the Company and the Board.

Yours Truly,



**Chairperson of the Board**



17<sup>th</sup> July, 2014

Ms. Veena Vishindas Gidwani  
21 ERYLN Apartments  
St. Joesph Road Bandra  
West Mumbai-400 050

Dear Ms. Veena Gidwani,

**Sub: Appointment / Re-appointment of the Independent Director**

I am pleased to inform you that upon the recommendation of the Nominations and Remuneration Committee and the Board of Directors ("the Board") of Agro Tech Foods Limited ("the Company"), the shareholders of the Company have approved your appointment / re-appointment as an Independent director ("Independent Director") at the Annual General Meeting of the Company held on 17<sup>th</sup> July, 2014 for term of 5 years. This letter sets out the terms of your appointment / re-appointment.

**1. Appointment / Re-appointment**

In accordance with the provisions of the Companies Act, 2013 and other applicable laws, you will serve as an Independent Director of the Board till July, 2019.

**2. Board Committees**

2.1. During the tenure of office, you may be required to serve on one or more of the Committees of the Board established by the Company, on the advice of the Board. Upon your appointment to any one or more Committees, you will be provided with the appropriate Committee Charter which sets out the role and functions of that Committee.

2.2. Currently, the Board has four committees: Audit Committee, Nomination and Remuneration Committee, Stakeholders Grievance Committee and Corporate Social Responsibility Committee. All committees have a majority of the Members as Independent directors. The Board is responsible for constituting, assigning, co-opting and fixing terms of

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service for committee members. The chairperson of the Board, in consultation with the Company Secretary and the Committee Chairperson, determines the frequency and duration of the committee meetings. Normally, the committees meet four times a year. Recommendations of the committees are submitted to the full Board for approval. The quorum for meetings is either two members of the committee or one-third of the members of the committee, whichever is higher.

2.3. You have been nominated to serve on the following committees as of now :

(A) Audit Committee

The Audit Committee has the full power and authority to monitor and provide effective processes, including external and internal auditors and officers of the Company, and the financial controls and systems to ensure integrity of the financial reporting of the Company and accurate and timely disclosures.

(B) Nomination and Remuneration Committee

The purpose of this Committee is to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.

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This committee has a mandate to review and redress shareholder grievances.

(D) Corporate Social Responsibility Committee

The purpose of the CSR Committee is to formulate a CSR policy for the Company, to indicate the activities to be undertaken by the Company, and to recommend the amount of expenditure to be

incurred on the abovementioned activities and monitor the CSR policy from time to time.

### **3. Orientation of the Board**

Every new independent director of the Board attends on orientation program. Presentations are made wherever necessary. The presentations cover an overview of our strategy and operations to familiarize the new inductees about the strategy, operations and functions of our company. The induction program will provide an opportunity to interact with the leadership team of the Company and help the inductees understand the Company's strategy, operations, service and product offerings, markets, finance, HR, technology, quality, facilities and risk management. You will also undergo a training program to familiarize yourself with the company, your role, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc.

### **4. Professional Conduct**

As an Independent Director, you shall:

- a) uphold ethical standards of integrity and probity;
- b) act objectively and constructively while exercising your duties;
- c) exercise your responsibilities in a bona fide manner in the interest of the Company;
- d) devote sufficient time and attention to your professional obligations for informed and balanced decision-making;
- e) not allow any extraneous considerations to distract the 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 where necessary;

- f) not abuse your position to the detriment of the Company or its shareholders or for gaining directly or indirectly any personal advantage or gain for yourself or any related persons;
- g) refrain from any action that could lead to a loss of your independence;
- h) ensure that if circumstances arise under which you may lose your independence, you will immediately inform the Board accordingly;
- i) assist the Company in implementing the best corporate governance practices.

## **5. Functions, Responsibilities and Duties of Directors**

### 5.1 Functions

- (a) To review the Company's strategy, the annual financial plan and monitor the Company's performance:

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Board shall also scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.

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responsible for ensuring the success of the Company by directing and supervising the Company's affairs.

The Board:

- (a) Provides leadership to the Company within a framework of prudent and effective controls which enable risk to be assessed and managed;
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5.3 Duties:

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- (a) regularly update and refresh your skills, knowledge and familiarity with the Company;
- (b) seek appropriate clarification and, where necessary, seek and follow appropriate professional guidance from external experts at the cost of the Company;
- (c) strive to attend every meeting of the Board and of the Board committees of which you are a member;
- (d) actively and constructively participate in the Board committees of the Board in which you may be a member or the Chairperson;
- (e) strive to attend the general meetings of the Company;
- (f) ensure that any concerns that you may have about the running of the Company are addressed by the Board and seek inclusion of these concerns in the Board minutes to the extent these concerns are not resolved;
- (g) keep yourself well informed about the Company and the external environment in which it operates;

- (h) not unfairly obstruct the functioning of an otherwise proper Board or committee;
- (i) ensure that related party transactions are considered carefully before they are approved and are in the interest of the Company;
- (j) ensure that the whistleblower function of the Company is functioning adequately;
- (k) report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics;
- (l) within your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- (m) not disclose any confidential information unless such disclosures is expressly approved by the Board or required by law.

**6. Fees:**

6.1 The compensation of the non-executive / independent directors is approved by the Board subject to the approval of the shareholders. This amount shall not exceed 1% of the net profit of the Company for the year calculated as per the provisions of the Companies Act, 2013. Commission of Rs. 3,12,500/- per annum shall be paid along with a Sitting fees at the rate of Rs. 1,00,00/- per Meeting of the Board, Rs. 75,000/- per Audit Committee and Rs. 25,000/- for any other Committee thereof.

6.2. In addition to the above, non-executive /independent directors would be entitled to the reimbursement of only the following items of expenditure that may be incurred in travelling to the place of the Board meetings and other committee meetings of the Company and back to their normal place of residence.

(a) Airfare from the normal place of residence to the place of the Board or Committee meetings and back to their place of residence.

(b) Accommodation at any hotel as determined by the Company for the duration of Board and Committee Meetings, and during the day prior to and after such meetings.

(c) Out-of-Pocket expenses, like conveyance, food, and incidentals that are incurred during the days of Board and Committee meetings.

## **7. D & O Insurance**

The Company maintains a Directors and Officers Insurance policy (D&O Policy) amounting to USD 10 MM to pay for the personal liability of Directors and Officers for claims made against them while serving on the Board and / or as an officer of the Company.

## **8. Term**

8.1 Subject to applicable law, independent directors are eligible to serve for a term of 5 years and another subsequent term of 5 years subject to approval of the shareholders through a special resolution.

Provided that a person who has already served as an independent director for five years or more in a company as on October 1, 2014 shall be eligible for appointment, on completion of his present term, for one more term of up to five years only.

Independent Directors shall also be subject to performance evaluation as per the criterion laid down by the Nomination and Remuneration Committee. This evaluation shall be carried out by the entire Board of Directors excluding the Director being evaluated and it shall be determined whether to extend or continue the term of appointment of the independent director.

## **9. Membership of other boards**

9.1 It is expected that you will not serve on the Boards of competing companies. Apart from the applicable law and good corporate governance practices, there are no other additional limitations.



## **10. Information on meetings**

### 10.1 Scheduling and selection of agenda items from Board Meetings

Dates for Board meeting for the ensuing year are decided in advance. Normally, the Board meets once in a quarter to review the quarterly results and other items on agenda. Additional meetings are held based on need.

### 10.2 Availability of information to the Board

The Board has full and unfettered access to any information of the Company, and to any employee of the Company. At Board Meetings, the Board may invite Leadership Team Members of the Company when additional details into the items being discussed are required.

### 10.3 Independent directors' discussion

The Board's policy is to have regular "Independent directors only" meetings so that they can have a full and frank discussion on the performance of the Company, risks faced by the Company, the performance of executive members of Board including the chairperson and 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.

## **11. Mechanism for evaluating Board Members:**

The Chairperson of Nomination and Remuneration Committee shall conduct an annual Board evaluation and a peer evaluation survey to assess the performance of the Board and the Committees as a whole and that of the individual Board and Committee members. Performance is assessed based on clearly defined objective criteria as decided by the Nomination and Remuneration Committee.

Some of the performance indicators based on which the independent directors are evaluated are:

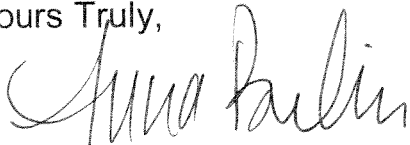
- (a) ability to contribute to and monitor our corporate governance practices;
- (b) ability to contribute by introducing international best practices to address top management issues;
- (c) active participation in long term strategic planning;
- (d) commitment to the fulfillment of Director's obligations; and
- (e) fiduciary responsibilities

**12. Dealing in shares and Code of Conduct**

Directors are prohibited from dealing in Company's shares during the period when the trading window is closed. Further, Directors, being designated officers of the Company for the purpose of insider trading guidelines, are to obtain pre-clearance from the Company before dealing with the shares of the Company. You are required to comply with the applicable insider trading laws and regulations. You are also required to comply with the Company's Code of Conduct and Ethics.

It is a pleasure to have you on board and I am confident that your experience, expertise and guidance will immensely benefit the Company and the Board.

Yours Truly,



**Chairperson of the Board**