

## **Code for Independent Directors as per Schedule IV of the Companies Act, 2013**

### **Introduction**

This Code is a guide to professional conduct for Independent Directors of “**Dvara E-Dairy Solutions Private Limited**”. Adherence to these standards by Independent Directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and the Company.

### **Independent Director**

‘**Independent Director**’ (“ID”) shall mean a Non-Executive Director other than a Nominee Director as appointed by the Company as an ID as per the provisions of Section 149(8) of the Companies Act 2013 read with rules, or any amendment made thereof from time to time.

### **Disclosure & Declaration:**

Every Independent Director shall at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an Independent Director, give a declaration that he meets the criteria of independence.

### **Terms of appointment:**

In accordance with the provisions of the Companies Act, 2013 (“the Act”) and the Rules made there under read with **Schedule IV** to the Act and other applicable laws, as amended from time to time, you will be appointed as a Non-Executive Independent Director on the Board of Directors of the Company, subject to the approval of Shareholders.

In compliance with the provisions of Section 149(13) of the Act your directorship is not subject to retirement by rotation.

ID appointment is also subject to the maximum permissible Directorships that one can hold as per the provisions of the Act and the Listing Regulations.

ID appointment will be for a term of Five [5] years from the original date of appointment, unless terminated earlier or may be reappointed for a further period of upto five year, as per the provisions of this letter or applicable laws (“Term”).

The engagement with an ID may be terminated in accordance with the provisions of the Articles of Association of the Company or on failure to meet the parameters of independence as defined in Section 149(6) or on the occurrence of any event as defined in Section 167 of the Act.

### **Role and Duties**

ID’s role and duties will be those of a ‘Non-Executive Independent Director’ under the Companies Act, 2013. There are certain duties prescribed for all Directors, both ‘Executive’ and ‘Non-Executive’ which are as follows:

**Dvara E-Dairy Solutions Private Limited**

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- i. ID shall act in accordance with the Company's Articles of Association as maybe amended from time to time.
- ii. ID shall act in good faith for the benefit of its members as a whole, and in the best interest of the Company, its employees, the shareholders, the Community and for the protection of environment.
- iii. ID shall discharge his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- iv. ID shall not involve in a situation in which may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- v. ID shall not achieve or attempt to achieve any undue gain or advantage either for himself or to his relatives, partners or associates.
- vi. ID shall not assign his office as Director and any assignment so made shall be void.
- vii. ID's are required to make disclosures as and when required as per the requirements of the Act.
- viii. The Company shall from time to time help the ID to familiarize with the duties and liabilities of an independent director as and when required.

You shall also abide by the 'Code for Independent Directors' as laid down in Schedule IV of the Act and attached herewith as **Annexure "A"** for your ready reference.

### **Time Commitment**

As a 'Non-Executive Independent Director', ID is expected to bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective leadership in relation to the Company's strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance.

ID is expected to attend Board Meetings and Board Committee Meetings to which you may be appointed and Shareholders meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively.

### **Status of appointment**

ID will not be an employee of the Company. ID will be paid such remuneration by way of sitting fees for meetings of the Board, subject to change as may be decided by the Board from time to time.

ID will have no entitlement to any bonus during the appointment and no entitlement to participate in any employee stock option scheme operated by the Company or any Group Company except as may be permitted by the Act.

### **Resignation**

Independent Director may resign from the directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation and to Registrar of Companies (ROC). The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by you in the notice, whichever is later.



### **Conflict of Interest**

1. ID shall not enter into any transaction which is or may likely to have a conflict with the interest of the Company and shall not engage any of its relative (s), or any other person or entity, for the purpose of circumventing the personal interest involved.
2. ID or his /her relative shall not take up any position or engagement that may be prejudicial to the interest of the Company.

### **Confidentiality**

The Independent Directors shall 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.

### **Code of Conduct**

A guide to professional conduct for Independent Directors is separately specified under Companies Act, 2013, in Schedule IV – “**Code for Independent Directors**”, which lays down the guidelines of professional conduct for Independent Directors their role, & duties, along with appointment/reappointment process, evaluation mechanism and requirement for separate meetings of Independent Directors, are appended as **Annexure A** to this Code.

## Annexure - A

### Code for Independent Directors As per Section 149 (8) of Companies Act, 2013

(As per Schedule IV of the Companies Act, 2013)

*The Code is a guide to professional conduct for Independent Directors. Adherence to these standards by Independent Directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the stakeholders, 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 their 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 and such other relevant provisions of the Companies Act, 2013.

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

- 1) The Independent Directors of the Company shall hold at least one meeting in a Financial 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.
- 2) 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.