POLICY ON TERMS OF APPOINTMENT OF INDEPENDENT DIRECTOR

A Preamble

Section 149 of the Companies Act, 2013 read with Rule 4 and Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 provides for the appointment of an Independent Director.

In terms of Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulation, 2015 (the "**Listing Obligation**") the board of directors of the company is required to lay down a code of conduct for all members of board of directors and shall suitably incorporate the duties of independent directors as laid down in the Companies Act, 2013.

Accordingly, the board of directors of **Shriram Food Industry Limited** (the "**Company**"), in compliance with the provisions of the Companies Act, 2013 (the "**Act**") and the Listing Regulation, has formulated a Policy on Terms of Appointment of Independent Director (the "**Policy**"), which has been adopted by the Board on 23rd April 2025.

B Definitions and Interpretation

In this Policy, words and expressions shall have the meaning assigned to them below:

"***Act***"	shall mean the Companies Act, 2013 and rules framed thereunder, notified by the Ministry of Corporate Affairs, Government of India, as amended from time to time;
"***Board***"	shall mean the Board of Directors of the Company;
"***Company***"	shall mean Shriram Food Industry Limited, incorporated under the provisions of the Act;
"***Directors***"	shall mean all the members of the Board of Directors of the Company, including the Independent Directors;
"***Independent Directors***"	shall mean the Director other than a managing director or a whole-time director or a nominee director as more specifically set out under Section 149(6) of the Act, and shall also have the meaning ascribed to the term "Independent Director" under Regulation 16(1)(b) of the Listing Regulations;
"***Nomination and Remuneration Committee***"	shall mean the Nomination and Remuneration Committee constituted by the Board in accordance with the provisions of the Act and the Listing Regulation.

C Criteria for appointment and remuneration

1. Appointment and reappointment:

a) Appointment process of the Independent Directors shall be independent of the company's management, and in compliance with the relevant provisions of the Act and the Listing Regulation;

b) The appointment of the Independent Director(s) of the company shall be approved at the meeting of the shareholders at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

c) The Independent Director shall also be appointed as member and/or chairman, as maybe be applicable, of committees of the Board of Directors, in compliance with the provisions of the Act and the Listing Regulation.

d) while selecting the 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.

e) The explanatory statement attached to the notice of the meeting for approving the appointment of the 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 Listing Regulations, along with a confirmation that the proposed director is independent of the management and possesses the required skills and capabilities for the role of an independent director.

f) The shareholders of the Company must be provided with the following information:

(i) a brief resume of the Independency Director;
(ii) nature of expertise in specific functional areas;
(iii) disclosure of relationships between directors inter-se;
(iv) names of listed entities in which the person also holds the directorship and the membership of Committees of the board along with listed entities from which the person has resigned in the past three years;
(v) shareholding in the Company, including shareholding as a beneficial owner; and
(vi) the skills and capabilities required for the role and the manner in which the proposed person meets such requirements.

g) The appointment of Independent Directors shall be formalised through a letter of appointment, which shall set out:

(i) the term of appointment;
(ii) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve;

(iii) the fiduciary duties that come with such an appointment along with accompanying liabilities;
(iv) provision for directors and officers (D and O) insurance, if any;
(v) the code that the company expects its directors and employees to follow;
(vi) the list of actions that a director should not do while functioning as such in the Company; and
(vii) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.

h) 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.

i) The terms and conditions of appointment of Independent Directors shall also be posted on the Company's website.

2. Remuneration

a) The remuneration shall be paid by way of sitting fee for attending meetings of the Board and its Nomination and Remuneration Committee as may be decided by the Board from time to time.

b) In addition to above, they will also be entitled for reimbursement of travel, hotel and other incidental expenses incurred in the performance of their role and duties.

D Tenure

Independent Directors shall be appointed for a maximum period of 5 consecutive years on the Board of the Company

E Board Committee

During the tenure of office, the Independent Director may be requested to serve on one or more committees of the Board and in the event of acceptance of such request(s) they will be provided with the relevant committee's terms of reference and specific responsibilities.

F Role, Duties and Responsibilities

The role and duties will be those as required under the Act which shall inter-alia include:

a) to 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;

b) to bring an objective view in the evaluation of the performance of board and management;

c) to scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;

d) to satisfy themselves on the integrity of financial information and those financial controls and the systems of risk management are robust and defensible;

e) to safeguard the interests of all stakeholders, particularly the minority stakeholders;

f) to balance the conflicting interest of the stakeholders;

g) to 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;

h) to act in accordance with the Company's Articles of Association;

i) to act in good faith, in order to promote objectives of the Company in the best interests of the Company, its employees, the stakeholders and the community;

j) to moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and stakeholder's interest;

k) to discharge duties with due and reasonable care and diligence, skill and diligence and exercise independent judgment;

l) to participate constructively and actively in the committees of the Board in which they are chairpersons or members;

m) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member, and the General Meetings of the Company;

n) to act within their authority, assist in protecting the legitimate interests of the Company, stakeholders and its employees;

o) to undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;

p) to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;

q) to keep themselves well informed about the Company and the external environment in which it operates;

r) not to unfairly obstruct the functioning of the Board or committee of the Board;

s) 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;

t) not to achieve or attempt to achieve any undue gain or advantage either for themselves or for their relatives, partners or associates; and

u) not to assign their office as Director and such assignment, if occurs, shall be void.

G Liability

The liability that devolves pursuant to the appointments would be as per the applicable laws and Articles of Association of the Company.

H Conflict of Interest

During the term, they are required to promptly notify any change in their directorships, appointments and interest in any manner whatsoever. In the event that circumstances seem likely to change and could give rise to a conflict of interest or, when applicable, circumstances that lead the Board to revise its judgment on their independence, the same should be disclosed to the chairman of the Board.

I Evaluation Process

The performance evaluation shall be done annually by the entire Board. They will participate in reviewing the performance of the Board as a whole and the other Directors on annual basis.

J Code of Conduct

During the tenure as Independent Director, they are required to comply with the Code of Conduct as provided in Schedule IV to the Act. They are also requested to give a declaration that they will meet the criteria of 'independence' at the first meeting of the Board in every financial year pursuant to the provisions of Section 149(7) of the Act. They are also required to abide by Company's Code of Conduct for Directors and Senior Management.

K Confidentiality

All information acquired during the tenure is confidential to the Company and shall not be released, either during the appointment or following termination (by whatever means) to third parties without prior clearance from the chairman, unless required by law or by the rules of any stock exchange or any regulatory body.

L Resignation or removal

The resignation or removal of an Independent Director shall be in the manner as provided under Sections 168 and 169 of the Act.

a) The Company shall disclose to the Stock Exchange, within seven days from the date of resignation of the Independent Director:

(i) the letter of resignation along with detailed reasons for the resignation as given by the Independent Director;

(ii) names of listed entities in which the resigning Independent Director holds directorships, indicating the category of directorship and membership of board committees, if any;

(iii) the confirmation received from the Independent Director shall, along with the disclosures, also provide a confirmation that there is no other material reasons other than those provided;

(iv) The confirmation as provided by the independent director above shall also be disclosed by the Company to the stock exchanges along with the detailed reasons as specified in sub-clause (i) and (ii) above.

b) 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.

c) 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.

d) The Company shall fill any vacancy, caused by an Independent Director resigning or being removed, within a period of three months from the date of such vacancy, if such vacancy causes the composition of the Board to fall short of the minimum requirement of independent directors.

M **Disclosures, other requirements and business requirements**

During the Term, they agree to promptly notify the Company of any change in their directorships, memberships and provide such other disclosures and information as may be required under the applicable laws. They also agree that upon becoming aware of any potential conflict of interest with their position as Independent Director of the Company, they shall promptly disclose the same to the chairman of the Board and the company secretary of the Company. During their Term, they agree to promptly provide a declaration under Section 149(7) of the Act, upon any change in circumstances which may affect their status as an Independent Director.

N **Review of performance by the Nomination and Remuneration Committee and Board of Director of the Company**

Performance of Independent Directors shall be evaluated as per the evaluation criteria laid down by the Nomination and Remuneration Committee and such evaluation will be done by the entire Board of the Company excluding the director being evaluated.

O General

Where the terms of this Policy differ from any existing or newly enacted law, rule, or regulation, the law, rule or regulation will take precedence over this Policy from the effective date of such law, rule or regulation.

For interpretation of this Policy, reference and reliance may be placed upon circulars/clarifications issued by the MCA, SEBI and/or any other authority.

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