

Ref. No.AFL/ID/2019-20/105

22nd August, 2019

Sri M. S. P. Rao
B-201, Stemwood Apartments
14, Factory Road, Ansari Nagar West
Sadarjung Enclave
New Delhi-110 029.

Sir,

Terms of appointment of Independent Director.

We are pleased to inform that you are appointed as an Independent Director (Non-Executive & Independent) by the members of the Company, at the 26th Annual General Meeting held on 9th August, 2019 for a period of 2 consecutive years with effect from 02.08.2019. The terms of your appointment as Non-Executive Independent Director are set out below. Kindly indicate your acceptance of these terms by countersigning a copy of this appointment letter and returning it to the Company.

By accepting this appointment, you confirm that you are not subject to any restrictions which prevent you from holding office as an Independent Director.

1. TERM OF OFFICE:

Your appointment as Independent Director will be for a period of 2 consecutive years w.e.f. 02.08.2019.

1.2 Your appointment may be terminated forthwith by the Company if you:

- 1.2.1 are removed as a Director by a resolution passed at a General Meeting or you cease to be a Director by reason of your vacating office pursuant to any provision of the applicable laws and under the Article of Association of the company.
- 1.1.2 abuse your 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;
- 1.1.3 become disqualified or prohibited from being or acting as a Director of a company by law;
- 1.2.4 become disqualified or lose independence as an Independent Director of the company in terms of Section 149(6) of the Companies Act, 2013, and SEBI (LODR) Regulations, 2015.

2. DUTIES:**2.1 During the continuance of your appointment you will:**

- 2.1.1 faithfully, efficiently, competently, diligently, perform your duties as an Independent Non-Executive Director and carry out all reasonable and lawful directions given by or under the authority of the Board and use your best endeavours to promote and extend the interests and reputation of the Company;
- 2.1.2 comply with the Articles of Association of the company, Code of Conduct for Independent Directors, any relevant internal guidelines and codes, including (but not limited to) the Code of Ethics and Business Conduct for Board and Senior Management and Code on Insider Trading.
- 2.1.3 attend the Board/Committee meetings, extraordinary and annual general meetings of the Company as and when required; and
- 2.1.4 promptly declare, so far as you are aware, the nature of any interest, whether direct or indirect, in any contract or proposed contract entered into by the Company.
- 2.1.5 Comply with the Code of Conduct for Prevention of Insider Trading, pursuant to SEBI (Prohibition of Insider Trading) Regulations, prescribed by the Board from time to time.



- 2.2 The Company has established Audit Committee, Nomination and Remuneration Committee, CSR Committee and Stakeholders Relationship Committees. As an Independent Director, you may be appointed by the Board to be a member of such Committees as the Board may decide. You will be expected to serve such Committees as may be decided by the Board and attend meetings of such Committees and serve on any other Committees as the Board may require from time to time and exercise any functions as are specifically delegated to you from time to time by the Board.
- 2.3 As an Independent Director, you have the same general legal responsibilities to the Company as any other member of the Board in 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 laws and relevant standards.
- 2.4 As an Independent Director, you will comply with the relevant provisions of the Companies Act, 2013, Clauses of Listing Regulations entered with Stock Exchanges and other applicable laws and regulations.
- 2.5 Any communication with or requests for information by press, investors, market analysts or other third parties should be referred to the Chairman & Managing Director of the Company.
- 2.6 The Company confirms that:
- 2.6.1 you will be entitled to full access to all Board papers and accompanying documentation and should you require further information at any time you should contact the Company Secretary or delegated appointee;
 - 2.6.2 you will be given full access to all information in or about the Company and its affairs which is available to the Directors;
 - 2.6.3 you will be advised sufficiently in advance of the dates of the meetings of the Board and meetings of the Committees to be attended by you, other than meetings in respect of urgent business;
 - 2.6.4 the agenda for each meeting of the Board and Committee and all relevant and associated papers will normally be provided to you in advance of each meeting; and
- 2.7 As an Independent Director, you should note that you do not have authority to commit the Company in any way, without the express authorisation of the Board.
- 2.8 By your acceptance of this appointment as an Independent Director, you confirm that you are able to devote sufficient time to meet the expectations of your role. You are not expected to undertake any executive duties or to assume executive responsibilities of the Company.
- 2.9 If matters arise which causes you concern about your role, you may discuss these matters with the Chairman & Managing Director. If you have any concerns which cannot be resolved, and you choose to resign for that, or any other reason, you may provide an appropriate written statement to the Chairman for circulation to the Board.
- 3.0 FEES AND OTHER BENEFITS:**
- 3.1 You shall be paid Sitting fee for attending each meeting of Board as well as Committee meetings, as per the provisions of Section 197 of the Companies Act, 2013 and Articles of Association of the company and as approved by the Board from time to time. The Sitting fee for attending the Board/Committee Meetings as on date, is Rs.40,000/- [Rupees Forty thousand only].



3.2 The Company shall reimburse you for all reasonable travel and hotel accommodation and other expenses properly incurred by you in or about the performance of your duties as a Director of the Company (including those incurred for attending any meeting of the Board or any Committee of the Board or other meeting of the Company), provided that, if and when required by the Company, you will produce to the Company receipts or other evidence of actual payment of such expenses.

3.3 As an Independent Director you shall not be entitled to any stock options and shall not be covered by any pension scheme.

4. OTHER APPOINTMENTS AND INTERESTS:

4.1 By your acceptance of this appointment, you confirm that, apart from those disclosed in writing to the Board, you have no existing causes of likely conflict of interest with the business of the Company. Should the need arise in the future, you are required immediately to disclose any such conflict or potential conflict (including a conflict of interest and/or a conflict with any of your duties to the Company or which might impact the time you are able to devote to the Company) including that which may arise from matters already disclosed to the Board and the Company may at any time require you to cease any conflicting activity as a condition of your office.

4.2 You will ensure that the company is notified of all other companies in which you are a Director at any time in order that statutory records may be kept properly up to date. During your tenure as an Independent Director, you are required to give a declaration that you meet the criteria of independence every financial year as provided under Section 149 of the Companies Act, 2013, and SEBI (LODR) Regulations.

5. NON-DISCLOSURE OF CONFIDENTIAL INFORMATION:

5.1 In accepting your appointment, you will agree not to:

5.1.1 directly or indirectly divulge or communicate to any person (other than those of the officials and employees of the Company whose province is to know the same or with the prior written authority of the Company or unless required by law or save to the extent that such disclosure or communication is necessary for the proper performance of your duties); or

5.1.2 make use of, any trade secret, know-how, business information, methods, lists or other secret, private or Confidential Information relating to the affairs of the Company or of its respective customers or clients which you may (whether heretofore or hereafter) have received or obtained while a Director of the Company, or have obtained from any third party on terms restricting its disclosure or use and shall use your best endeavours to prevent the publication or disclosure of the Confidential Information or any part thereof, whether relating to its trade dealings, financial affairs or otherwise, which you may have received or obtained or may hereafter receive or obtain while being a Director of the Company.

5.2 The restrictions contained in this paragraph 5 shall cease to apply to any Confidential Information which may (otherwise than by reason of your default) become available to the public generally. Your attention is drawn to the requirements under both legislation and regulation as to the disclosure of price sensitive information.

5.3 Consequently you should avoid making any statements that might risk a breach of these requirements without prior clearance from the Chairman and Managing Director of the company.

6. **LIABILITY:**

As an Independent Director, you will be liable only in respect of such acts of omission or commission by the company which had occurred with your knowledge, attributable through Board processes, and with your consent or connivance or where you had not acted diligently.

7. **GENERAL:**

- 7.1 Except as otherwise permitted by this appointment letter, no change to its terms shall be effective unless it is in writing and signed by or on behalf of both you and the Company.
- 7.2 This appointment letter shall be governed by and construed in accordance with the laws of the the Republic of India and each party agrees to submit to the exclusive jurisdiction of the Republic of India as regards any claim or matter arising under this appointment letter.

Yours sincerely,
For and on behalf of
Avanti Feeds Limited



C. Ramachandra Rao
Joint Managing Director
Company Secretary & CFO