PAPADMALJI AGRO FOODS LIMITED

POLICY ON TERMS AND CONDITIONS FOR APPOINTMENT OF INDEPENDENT DIRECTORS

Version	Summary of Changes	Board Approval	Date of Release
Version 1	Initial	15.10.2025	15.10.2025

Introduction:

This terms and conditions of appointment of the Independent Directors of Papadmalji Agro Foods Limited (Hereinafter referred to as the "Company") are subject to the provisions of the Companies Act, 2013 (hereinafter referred as the "Act") and the Rules framed there under, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations"), the Articles of Association of the Company, prevalent at the time of appointment during the tenure of the Independent Director. Any amendment in the provisions of the Act, Rules and Regulations shall automatically entail changes in the terms and conditions of appointment of the Independent Director. The terms and conditions of appointment of Independent Directors are mentioned hereunder:

Appointment:

a. The Independent Director shall hold office for a term of up to five consecutive years from the date of appointment;

b. The office of the Independent Director shall not be liable to retirement by-rotation;

c. The Independent Director shall be eligible for re-appointment, subject to meeting the independence criteria as laid down under the Act and the Listing Regulations and report of performance evaluation of the Independent Director, by passing of a Special Resolution by the Company, based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company (hereinafter referred to as the "Board") in this regard;

Committees Role:

The Independent Director may be invited by the Board to serve on one or more Board Committees or Other Committees of the Company, either as Chairman or Member. The role of these Committees shall be determined by the Board from time to time.

Time Commitment:

An Independent Directors are expected/entitled to attend all the Board Meetings, Committee Meetings of which they are a Member and General Meetings of the Company and devote such time as is prudent for proper performance of roles, duties and responsibilities as an Independent Director. In terms of the provisions of the Act, an Independent Director shall not absent himself from all the meetings of the Board held during a period of twelve months with or without seeking leave of absence of the Board.

Role, Functions and Responsibilities:

The roles, functions and duties of an Independent Director will be as per Companies Act, 2013. The Board may also assign various roles, functions and duties to the Independent Director from time to time. The Independent Director shall be guided by the Code for Independent Directors as prescribed under Schedule IV to the Companies Act, 2013 and shall also comply with the Code of Conduct for the Board of Directors, Senior Management Personnel of the Company. The Independent Director shall be responsible for the responsibilities of the Board of Directors as outlined in the Regulation 4(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. They are requested to provide guidance in the areas of their expertise.

Insurance:

The Company may avail Directors and Officers Liability Insurance Policy to safeguard and protect the interest of the Independent Director(s) from any contingent liability as a good corporate governance measure.

Remuneration:

I. The Independent Directors may be paid sitting fees for attending the meetings of the Board of which they are Members as may be determined by the Board from time to time;

II. In addition to the sitting fees, the Independent Directors may also be paid commission as may be approved by the Shareholders of the Company and determined by the Board from time to time;

III. The Company may reimburse such reasonable expense as may be incurred by the Independent Directors while performing their role as an Independent Director, including expenditure incurred by the Independent Director (including accommodation, travel and out of pocket expenses, if any) for participation in the Board, Committee(s) or General Meetings.

Impermissible Actions:

Independent Director shall not:

i. disclose confidential information acquired at the time of appointment or during the tenure, to third parties except as permitted by law or specifically authorized by the Company;

ii. abuse the position to the detriment of the Company or its stakeholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;

iii. participate in a discussion for a contract or arrangement or a proposed contract or arrangement with a body corporate or a firm or other entity, in case the Independent Director is interested, either in terms of the Act, Listing Regulations or other applicable Laws, Rules and Regulations;

iv. engage in any activity which might impede the application of the independent judgment in the best interest of the Company.

v. make use of Unpublished Price Sensitive Information in contravention to SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended.

Disclosures:

The Independent Director shall give the following information, declaration or confirmation to the Company:

a. Annual declaration in terms of the provision of Section 149(7) of the Act;

b. Intimation in Form DIR-8 to the effect that the Independent Director is not disqualified under Section 164(2) Of the Act on an annual basis;

c. Disclosures under the Company's Code of Conduct to regulate, monitor and report trading by Designated Persons and their immediate relatives and Institutional mechanism for prevention of Insider Trading;

d. Disclosure of interest or concern, directly or indirectly, in any Company, Body Corporate, Firms or other Association of Individuals in Form MBP-I pursuant to Section 184 of the Act at the first Board Meeting in which the Independent Director participates as a Director and thereafter at the first Board Meeting in every Financial Year and whenever there is any change in the disclosures already made, then at the first Board Meeting held after such change; Details of Committee positions held in other Companies on an Annual Basis and changes in the Committee positions as and when they take place in terms of Listing Regulations.

e. Details of any potential conflict of interest with their position as an Independent Director.

Performance Evaluation:

As Members of the Board, the performance of the Independent Directors as well as the performance of the entire Board and its Committees shall evaluate on annual basis. Evaluation of each Director shall be done by all the other Directors. The criteria for evaluation shall disclose in the Company's Annual Report.

Induction & Development:

The Company will periodically brief Independent Directors on:

- Key business matters, risks, and strategic initiatives
- Changes in industry regulations and developments
- Training and development sessions, as needed

Termination:

The Independent Director may resign from the Directorship of the Company by giving a notice in writing to the Company. The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by the Independent Director in the notice, whichever is later;

The Directorship on the Board of the Company of the Independent Director shall terminate or cease in accordance with provisions of the Act, the Listing Regulations or other applicable laws and in accordance with provisions contained in the Articles of Association of the Company.

Apart from the grounds of termination as specified above, the Directorship of an Independent Director may be terminated for:

- Violation of any provision of the Code of Conduct for the Board of Directors and Senior Management Personnel of the Company;
- The Independent Director failing to meet the criteria for Independence as envisaged under Section 149(6) of the Act and Regulation 16 of Listing Regulations, as amended from time to time.

Modification/amendment:

Any required modification(s) /amendment(s) in the terms and condition of Independent Director appointment may be made with the consent of Board Members and the policy will be updated accordingly.

Padmalji Agro Foods Ltd. Bikaner