Corporate Governance Code*

About the Code

The visionary founders of 'Sahyadri Farms' had laid the foundation stone of the organization on the principle that farmers shall come together and solve their own problems through collective efforts. Sahyadri Farms works for empowering smallholder farmers and enable them to produce in a sustainable way while caring for the environment. The Corporate Governance practices of Sahyadri Farms Post Harvest Care Limited are built on this philosophy.

This document describes the Corporate Governance Code of Sahyadri Farms Post Harvest Care Limited. This document lays down the principles governing Board Structure, Board Processes, Board Committees, Board Induction and Training, Board Evaluation, Financial Reporting and Risk Management, Shareholder interface and redressal of their grievances, Related Party Transactions Policy, Corporate Social Responsibility Policy, which will be the guiding force for the Company to maintain highest governance standards.

This Corporate Governance Code has been adopted by the Board of Directors as a statement of practices and procedures to be followed by the Company and its officers and employees. Any amendment or modification to this Code can be made only with the approval of Board of Directors of Sahyadri Farms Post Harvest Care Limited, unless specifically provided otherwise.

Glossary

1) The Company or SFPHCL

Sahyadri Farms Post Harvest Care Limited

2) Holding Company or SFPCL

Sahyadri Farmers Producer Company Limited

3) Sahyadri Farms

Sahyadri Farmers Producer Company Limited and Sahyadri Farms Post Harvest Care Limited are collectively referred as Sahyadri Farms.

4) Board Committee

Statutory Committees which have Board of Directors as members namely Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and such other committees as may be required to be constituted as per the provisions of law.

5) SHA

Amended and Restated Shareholders' Agreement dated August 18, 2022 by and amongst Incofin India Progress Fund, Korys Investments NV, Nederlandse Financierings- Maatschappij Voor Ontwikkelingslanden N.V., Société De Promotion Et De Participation Pour La Cooperation Économique (PROPARCO) S.A., Sahyadri Farms Post Harvest Care Limited, Sahyadri Farmers Producer Company Limited, Key Promoter and Other Promoters.

6) Series A1 Investors

1) Incofin India Progress Fund
2) Korys Investments NV

7) Series A2 Investors

1) Nederlandse Financierings- Maatschappij Voor Ontwikkelingslanden N.V.
2) Société De Promotion Et De Participation Pour La Cooperation Économique (PROPARCO) S.A.

8) Consortium

Following investors are collectively referred as consortium

1) Incofin India Progress Fund
2) Korys Investments NV
3) Nederlandse Financierings- Maatschappij Voor Ontwikkelingslanden N.V.
4) Société De Promotion Et De Participation Pour La Cooperation Économique (PROPARCO) S.A.

Content Index

1. Fundamentals

1.1. Introduction to Sahyadri Farms

Sahyadri Farms Post Harvest Care Limited is one of the leading company in fruits and vegetables sector in India engaged in the business of trading as well as processing of fruits and vegetables.

Sahyadri Farmers Producer Company Limited or holding company was incorporated as a producer company in year 2010 with a vision to empower smallholder farmers and enable them to produce in a sustainable way while caring for the environment. The holding company being a producer company can raise capital for business expansion only from farmers. So for further expansion, the post-harvest business of the company was separated and transferred to its wholly owned subsidiary Sahyadri Farms Post Harvest Care Limited through 'Scheme of Arrangement' approved by Mumbai bench of National Company Law Tribunal (NCLT). The 'Scheme of Arrangement' was approved by NCLT on February 17, 2022. The appointed date of the scheme was April 01, 2021. The 'Scheme of Arrangement' was effective from March 28, 2022.

After successful implementation of the Scheme of Arrangement, the company raised fund through Series A1 and A2 round of investment in Financial Year 2022-23. The execution of Series A funding round, the 'Shareholders Agreement' (SHA) was signed with all the investors on August 18, 2022. The SHA contains all the provisions regarding investment including 'Corporate Governance Mechanism' to be implemented by the company.

1.2. Company Structure

The Board of Directors ('the Board') are responsible for the management, general affairs, direction and performance of the Company. The Board has been vested with the requisite powers, authorities and duties under Articles of Association of the Company and relevant laws of the country. Executive and Non-Executive Directors are members of the Board and share the overall responsibility of the strategic direction of the Company. The Executive Directors have additional responsibilities for the operation of the Company's business as determined by the Managing Director.

Subject to the provisions of the Companies Act, 2013, as amended from time to time, the Memorandum of Association and the Articles of Association of the Company and any other Regulation not inconsistent therewith and duly made thereunder, the Board shall exercise all such powers and do all such acts, deeds and things that the Company is authorized and exercised to do. The Executive Directors on the Board have specific responsibility of each function in addition to discharging their role as a Member of the Board. The Non-Executive Directors who are Independent Directors dischargetheir role as such in accordance with the Act as amended from time to time. The Chairperson of the Board may be either an Executive Director or a Non-Executive Director, but at all times the office of the Chairperson will be held in compliance with the Articles of Association of the Company and the applicable Laws and Regulations.

The Board is comprised of a mix of Executive and Non-Executive Directors. The composition of the Board is in accordance with the Act.

1.3. Foundation Documents

a. The Memorandum of Association; and
b. The Articles of Association.

The Memorandum of Association and Articles of Association sets out the foundation of the Company, on which it operates. The Memorandum of Association governs the relationship between the Company and the public at large and sets out the Objects of the Company, while Articles of Association govern the internal management of the Company. The Memorandum and Article of Association was first adopted by the Company on its incorporation on August 21, 2020. The Memorandum and Articles of Association of the Company have been amended, as and when it was necessary, with the approval of shareholders. The Memorandum and Articles of Association of the Company is available at the Registered Office of the company.

1.4. Company Policies

The Company has developed and adopted a set of policies to provide mandatory rules designed to ensure consistency in key areas within the operations of the Company. These Policies are applicable across all Units / Branches and they govern the principles and practices of how the Company runs its business. Few of the important policies which govern the Company are given below.

1.4.1. Whistle Blower Policy

The Company has adopted a Whistle Blower Policy to provide appropriate avenues to the Directors and employees to bring to the attention of the Management any issue which is perceived to be in violation of or in conflict with the fundamental business principles of the Company. The Directors and employees are encouraged to raise concerns by way of whistle blowing and the employees have direct access to the Chairperson of the Audit Committee. The Company Secretary is the designated officer for effective implementation of the Policy and resolution of complaints registered under the Policy. A copy of the Whistle Blower Policy is set out in Appendix 1.

The Whistle Blower Policy act as a Vigil Mechanism for the Company. The Audit Committee of the Company periodically reviews the issues received under the Whistle Blower Policy. The process is subjected to extensive internal audit to check the awareness, application and implementation of the vigil mechanism on an ongoing basis.

2. The Board

Role of the Board

The role of the Board is that of a guardian and trustee of the Company's interests. The Board has the final responsibility for the management, direction and performance of the Company and its business. In doing so, it must act honestly, in good faith and in the best interests of the Company. In all its dealings and decision making, the Board shall consider the interests of the Company as a whole, the interest of its shareholders, employees, consumers, customers, suppliers, government andall other stakeholders together with Company's social and legal responsibilities in the communities inwhich it operates and to the responsibility towards the environment. The Directors are expected to attend and actively participate in Board Meetings and Meetings of Committees on which they serve and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. The Board is responsible for overall compliance with the Corporate Governance policy of the Company.

2.1 Board Membership Criteria

The Nomination and Remuneration Committee shall be responsible for identifying, screening, recruiting and recommending candidates for election as Directors on the Board. An assessment of the skills and characteristics needed by the Board in the context of scenario, at the relevant point in time, shall be performed by the Nomination and Remuneration Committee. Following shall act as guidelines when selecting a member of the Board.

Desired professional expertise and experience

The Board shall include qualified members who bring the required skills, competence and expertise that allow them to make effective contributions to the Board and its committees. The Board shall comprise of distinguished individuals with one or more following key attributes;

- Experience in driving business success in markets around the world, with an understanding of diverse business environments, economic conditions, cultures, and regulatory frameworks, and a broad perspective on global market opportunities;

- Proficiency in complex financial management, capital allocation, and financial reporting processes, or experience in actively supervising a principal financial officer;

- Extended leadership experience for a significant enterprise, resulting in a practical understanding of organizations, processes, strategic planning, and risk management. Demonstrated strengths in developing talent, planning succession, and driving change and long-term growth;

- A significant background in technology, resulting in knowledge of how to anticipate technological trends, generate disruptive innovation, and extend or create new business models;

- A history of leading growth through acquisitions and other business combinations, with the ability to assess 'build or buy' decisions, analyze the fit of a target with the Company's strategy and culture, accurately value transactions, and evaluate operational integration plans;

- Service on a reputed company board to develop insights about maintaining board and management accountability, protecting shareholder interests, awareness of the corporate responsibilities towards its customers, employees, suppliers, regulatory bodies, and the communities in which it operates and observing appropriate governance practices;

- Experience in developing strategies to grow sales and market share, build brand awareness and equity, and enhance enterprise reputation;

- Knowledge and experience of building and leading sustainable organizations and shall include;

➢ Understanding the importance of the Environment, Social, Governance ("ESG") goals, and how they should impact the boards role, composition and work processes;

➢ Implementing ESG goals fully integrated into the strategy of the Company;

➢ Guiding the reporting of ESG performance based on internationally recognized standards/frameworks.

Desired Personal Attributes

- The proposed candidate should not have present or potential conflict of interest while serving on Board of Sahyadri Farms. Non-Executive Independent Director should qualify as Independent, if the incumbent meets the Independence criteria as laid down in the Companies Act, 2013.;

- Each Board member should have sufficient time available for the proper performance of his or her duties. Directors should be sufficiently free of other commitments to be able to devote the time needed to prepare for meetings and participate in induction, training, evaluation and other Board associated activities;

- The personal characteristics of the person should be in line with the Company's values, such as integrity, honesty, transparency, pioneering mindset etc., commitment to adding value to the Company by personal endeavor and ability / willingness to represent the long term and short term interests of the shareholders and awareness of its responsibilities towards various stakeholders of the Company. The candidate proposed to be appointed on the Board, should not have been convicted of any offence in the past, which may raise a doubt as to the integrityof the person concerned;

- The proposed candidate should possess experience at the highest levels of decision making, demonstrable strategic thinking abilities and an ability to take a long term view. Familiarity with national and international issues affecting the Company's businesses, familiarity with economic, political, social and cultural attributes affecting the Company's businesses is desirable.

2.2 Board Powers

As per the Act, the Board of Directors of a Company shall exercise the following powers on behalf of the Company by means of resolutions passed at meetings of the Board, namely:

a) To make calls on shareholders in respect of monies unpaid on their shares;
b) To authorize buy-back of securities under section 68 of Companies Act, 2013;
c) To issue securities, including debentures, whether in or outside India;
d) To borrow monies;
e) To invest the funds of the Company;

f) To grant loans or give guarantee or provide security in respect of loans;
g) To approve financial statement and the Board's report;
h) To diversify the business of the Company;
i) To approve amalgamation, merger or reconstruction;
j) To take over a company or acquire a controlling or substantial stake in another company;
k) To make political contributions;
l) To appoint or remove key managerial personnel;
m) To appoint internal auditors and secretarial auditor;
n) Any other matter which may be prescribed through the Act or Rules made thereunder

Provided that the Board may, by a resolution passed at a meeting, delegate to any committee of Directors, the Managing Director, or any other principal officer of the Company, the principal officer of the Branch office, the powers specified in clauses (d) to (f) on such conditions as it may specify.

The Board of Directors shall exercise the following powers only with the consent of the company by a special resolution, namely:

(a) to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings;

(b) to invest otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamation;

(c) to borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its [paid-up share capital and free reserves and securities premium], apart from temporary loans obtained from the company's bankers in the ordinary course of business;

(d) to remit, or give time for the repayment of, any debt due from a director.

Every special resolution passed by the company in general meeting in relation to the exercise of the powers referred to in Section 180 (1)(c) of Companies Act, 2013 shall specify the total amount up to which monies may be borrowed by the Board of Directors.

2.3 Responsibilities and Duties of the Board

Responsibilities:

The responsibilities of the Board of Directors as a whole, flow from the Act, the Memorandum and Articles of Association. These responsibilities shall inter-alia include:

- Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments;

- Monitoring the effectiveness of the company's governance practices and making changes as needed;

- Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning;

- Aligning key executive and board remuneration with the longer term interests of the company and its shareholders;

- Ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board;

- Disclosing to the board of directors, direct, indirect, or on behalf of third parties, material interest in any transaction or matter directly affecting the company;

- Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions;

- 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 law and relevant standards;

- Monitoring and reviewing Board Evaluation framework;

- Maintaining operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision making;

- Ensuring compliance of various laws, regulations and applicable codes on regular basis;

- Formulating, adopting and reviewing of various policies prescribed by various Statutory Authorities from time to time;

- Setting Standards of Business Conduct and Ethical Behavior for the Board of Directors;

- Setting Standards of Servicing to Policy Holders and their grievance Redressal mechanism;

- Forming various Committees of Board for discharging its various duties while retaining its primary accountability;

- Monitoring the financial performance of the Company and ensuring that the financial results are prepared in accordance with the Generally Accepted Accounting Principles and are reported to shareholders and regulators on a timely and regular basis;

- Formulating Compensation strategy and employee benefit schemes;

- Formulating investment strategies for the investment of the funds;

- Reviewing the functioning of Whistle Blower Mechanism across the Company on periodical basis;

Duties of the Board

The Board of Directors are responsible for the overall conduct of the Company and have the powers, authorities and duties vested in them respectively pursuant to the relevant laws. As per the Act, the duties of the Directors are as follow:

a) A director of a company shall act in accordance with the articles of the company;

b) A director of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.

c) A director of a company shall exercise his/ her duties with due and reasonable care, skill and diligence and shall exercise independent judgment;

d) A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company;

e) A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his/ her relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company;

f) A director of a company shall not assign his/ her office and any assignment so made shall be void.

In addition to the above duties cast upon the Directors of a Company, the Schedule IV of Companies Act, 2013 prescribes additional duties, as given below, for Independent Directors:

a) Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;

b) 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;

c) Strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;

d) Participate constructively and actively in the committees of the Board in which they are chairpersons or members;

e) Strive to attend the general meetings of the company;

f) 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;

g) Keep themselves well informed about the company and the external environment in which it operates;

h) Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;

i) 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;

j) 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;

k) Report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;

l) Acting within his/ her authority, assist in protecting the legitimate interests of the company, shareholders and its employees;

m) 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.

2.4 Information sharing with Board of Directors

The information to be placed before the Board of Directors shall include but not be limited to the following:

- Annual business plans and budgets and updates on the same every quarter;
- Capital budgets and any updates and periodic reviews of performance of the Company;
- Quarterly / Half yearly / Annual financial results, as the case may be, for the company and its operating divisions or business segments;
- Minutes of meetings of Audit Committee and other committees of the Board;
- The information on recruitment and remuneration of senior management personnel i.e. officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary;
- Show cause, demand, prosecution notices and penalty notices which are materially important;
- Fatal or serious accidents, dangerous occurrences affecting business continuity;
- Any material default in financial obligations to and by the Company;
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Significant labor problems and their proposed solutions. Any significant development in Human Resources front like change in compensation structure, implementation of Voluntary Retirement Scheme etc.;
- Sale of a material nature; e.g. investments, subsidiaries, assets, which is not in normal course of business;

- Non-compliance of any regulatory, statutory nature or listing requirements (when applicable) and shareholders service such as non-payment of dividend etc.;

- Information and updates on major expenditure;

- Report periodically about implementation of strategic initiatives and plans.

2.5 Board Composition

The composition of the Board as a whole shall be commensurate with the size of the Company, its portfolio and geographical spread, where the balance between skills and experience is an optimal one. The composition shall also enable the Board to discharge its responsibilities and provide effective leadership to the business. It shall also allow members to act critically and independently of one another and without any particular interest. Following points shall be considered for board composition -

a) Board Diversity

Given the global and complex nature of the Company's business, it is important to consider diversity of thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, in evaluating candidates. The Nominations and Remuneration Committee based on above parameters recommends candidates for consideration of the Board of directors to be proposed for the approval of Company's shareholders or any director nominees to be elected or appointed by the Board to fill Board vacancies. A copy of the Policy on Board Diversity is set out in Appendix 2.

b) Succession Plan

The Nomination and Remuneration Committee shall periodically review and assess the adequacy of the Company's policies, plans and procedures with respect to succession planning of board members. The review of policies shall also encompass succession in the ordinary course of business and in the event of unexpected events or emergencies.

c) Mix of Executive, Non-Executive and Independent Directors

The Board of the company shall have an optimum combination of executive, non-executive and independent directors with at least one-woman independent director.

d) Independent Directors

An independent director is a non-executive director of a company who helps the company in improving corporate credibility and governance standards. The independent director should not be a managing director, a whole-time director or a nominee director. He or she does not have any kind of relationship with the company that may affect the independence of his/her judgment.

e) Annual Director elections

Two third of the Board members shall be subject to retirement by rotation in Annual General Meeting (AGM). One third of the total board members shall actually retire in AGM and are eligible for reappointment. Each year, at the Company' annual general meeting, the Board shall recommend names of directors eligible for re-election by shareholders. The Independent directors shall not be subject to retire by rotation as they are appointed for a specific term.

As per the provisions of SHA made with all the investors, the composition of Board of Directors shall be as follow:

Composition and size of the Board

The Board of the Company shall consist of not more than 9 (Nine) Directors with following composition:

a) Up to 40% (Forty percent) of the Board shall be constituted by Directors nominated by the Promoter Group;
b) A minimum of 27% (Twenty-Seven Percent) of the Board shall be constituted by the Director(s) nominated by the Consortium; and
c) The balance of 33% (Thirty-Three percent) of the Board shall be constituted by the independent Directors.

Based on the above structure of the Board, the composition of the Board shall be as follows:
(a) 4 (Four) Promoter Directors;
(b) 2 (Two) Consortium Directors (Referred as Nominee Directors); and
(c) 3 (Three) independent Directors.
It is agreed that all the Directors shall always be Eligible Persons.

In the event
(a) Consortium does not nominate the Nominee Director(s) for more than 3 (Three) consecutive quarters, then, until such time that the Consortium nominates the Nominee Director (s), such Board seat may be occupied by an additional independent Director(s); or

(b) any seat of the independent Director(s) is vacant for more than 3 (Three) consecutive quarters, then, until such time that the said independent Director is appointed, such Board seat may be occupied by an additional Director(s) nominated by the Consortium. Such additional Director(s) shall vacate the Director position in accordance with this Clause.

Prior written approval of the Consortium is required for change in composition of Board of Directors.

The Nominee Director(s) and the Nominee Alternate Director(s) shall not be required to hold any qualification shares.

In case a Director vacates his office owing to death, resignation, permanent disability, etc., or is otherwise removed from his office prior to the completion of his / her term, the Shareholder(s) who nominated/appointed such outgoing Director shall nominate/appoint another person as his/her replacement.

Nominee Alternate Directors

Consortium shall be entitled to appoint, remove and substitute an alternate Director to their Nominee Director(s) ("Nominee Alternate Director(s)") from time to time and who shall act as an alternate Director to the relevant Nominee Director during the absence of such Nominee Director from the state in which the meetings of the Board are ordinarily held.

Nominee Alternate Director(s) shall be considered for the constitution of quorum and shall be entitled to attend and vote at such meetings in place of the relevant Nominee Director and generally perform all functions of such Nominee Director(s) in his/her absence. Upon the appointment of Nominee Alternate Director(s), all Notices and other materials that are circulated to the Directors shall be circulated to the Nominee Director(s) and the Nominee Alternate Director(s).

Observer
The Consortium shall be entitled to appoint and/or seek removal of 2 (Two) non-voting observers to the Board to attend the meetings of the Board. The Observer shall have the right to receive all Notices, documents and information provided to the Directors. The Observer shall be invited as a special invitee to all meetings of the Board and/or committees of the Board and shall also be entitled to attend and speak, only if requested by a Director or the Chairperson at all such meetings thereof in a non-voting, observer capacity. The Observer shall not be considered for quorum, and the Observer shall not be entitled to vote with respect to any resolution proposed to be passed at a Board meeting or a committee meeting.

2.6 Appointment to the Board

The Directors of the Company shall be appointed by shareholders at the General Meetings. In accordance with the Act, the Articles of Association of the Company and SHA, all Directors, except for the Nominee Director or Nominee Alternate Director & Chairman, two third of directors shall be liable to retire by rotation. Out of the directors liable to retire by rotation, one third of directors shall actually retire in the Annual General Meeting.

The tenure of Executive Directors shall not exceed a period of 5 years or as may be decided in line with the regulatory requirements on each occasion.

A shareholder who wishes to recommend a candidate for being appointed as a Director at the ensuing Annual General Meeting or for vacancies of the Board that arise between meetings, must provide the Board with timely and sufficient written documentation as prescribed under the law, to permit a determination by the Board whether such candidate meets the criteria for appointment to the Board.

In case an Independent Director resigns or is removed from the Board of the Company, a new Independent Director shall be appointed at the immediate next Board meeting or within three months from the date of such vacancy, whichever is later.

The Company can appoint any person, other than a person who fails to get appointed as a director in a general meeting, as an Additional Director at any time who shall hold office up to the date of the next annual general meeting or the last date on which the annual general meeting should have been held, whichever is earlier.

The Board of Directors of a company may, if so authorized by its articles or by a resolution passed by the company in general meeting, appoint a person, not being a person holding any alternate Directorship for any other director in the company, [or holding Directorship in the same company], to act as an alternate director for a director during his absence for a period of not less than three months from India.

Provided that no person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of this Act.

Provided further that an alternate director shall not hold office for a period longer than that permissible to the director in whose place he has been appointed and shall vacate the office if and when the director in whose place he has been appointed returns to India.

Provided also that if the term of office of the original director is determined before he so returns to India, any provision for the automatic re-appointment of retiring Directors in default of another appointment shall apply to the original, and not to the alternate director.

2.7 Procedure for Appointment

The Nomination and Remuneration Committee shall identify a suitable candidate who satisfies the criteria mentioned above and possesses required skill set and expertise. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors shall consider the candidate for appointment to the Board. However, such appointment will be subject to approval of shareholders at the General Meeting.

On Appointment, the Director shall be given a Letter of Appointment, setting out in detail the terms ofappointment, duties, responsibilities and expected time commitments. The terms and conditions prescribed in Letter of Appointment shall be in line with the format provided at Appendix 3. Each newappointed Director shall be taken through a formal Induction Program as detailed at Clause 10.

At the time of appointment, the Director shall make disclosure of their interests and significant commitments to the Board. Any change in such commitments should also be reported to the Board as and when it arises. Independent Director shall also provide a certificate of Independence in line with the requirements of the Companies Act, 2013.

The list of Initial Disclosures required from Directors is provided at Appendix 3.

2.8 Directors and Officers Liability Insurance

The Company shall provide insurance cover in respect of legal action against its Directors under the Directors' and Officers' Liability Insurance. Any person who becomes a Director or Officer shall be covered under Directors' and Officers' Liability Insurance policy.

2.9 Non-Executive Status and Indemnification

As per the provisions of SHA made with the investors, the Nominee Director(s) and/or Nominee Alternate Director(s) will not be in charge of or be responsible for the day-to-day management of the Company.

The Nominee Director(s) and/or Nominee Alternate Director(s) shall not be
(a) liable or responsible for any default or failure of the Company in complying with the provisions of any Applicable Law, including but not limited to, defaults under the Applicable Laws related to the running of the Business; and

(b) identified and/or designated as an 'officer in default' of the Company, or 'manager' of the Company, or 'occupier' of any premises used by the Company or 'the employer' of any of the employees of the Company.

The Company to indemnify the Nominee Director(s)/ Nominee Alternate Director(s) to the fullest extent permitted by Applicable Laws, for any liability, Damages, cost or expense (including legal expenses) accruing, incurred, suffered and /or borne by such Nominee Director(s)/ Nominee Alternate Director(s) in connection with the Business of the Company.

The Nominee Director(s) and/or Nominee Alternate Director(s) shall under any no circumstances be liable to make any payment or be out of pocket and they shall be immediately indemnified by the Company and any amounts realized under the directors' and officers' liability insurance may thereafter be claimed by the Company. Termination of SHA, for any reason whatsoever, shall not affect the indemnification obligations of the Company.

In the event that any notice or proceedings have been filed against any Nominee Director(s) and/or Nominee Alternate Director(s), as a director, by reason of him / her being included within the scope of "officer in default", the Company, the Promoter Group and the other Shareholders shall use all efforts necessary to ensure that the name of the Nominee Director(s) is excluded/deleted and the charges/proceedings (civil, criminal or otherwise) against him / her are withdrawn and shall also take all steps to defend him / her against such proceedings and, the Company shall pay for all liabilities, fines, losses or expenses that are incurred or suffered by such Nominee Director(s) and/or Nominee Alternate Director(s).

3. Board Committees

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. The Committees are set up under the formal approval of the Board, to carry out clearly defined roles which are considered to be performed by members of the Board as a part of governance practice. While deciding the Chairpersonship and Membership of the Committee, the Board shall ensure that undue reliance is not placed on particular individuals. The Board shall supervise the execution of its responsibilities by the Committees and shall be responsible for action taken by the Committees.

The meetings of the Board Committees shall be attended by the designated members of the Committee. The Committee can, however, request special invitees to join the meeting, as appropriate. The minutesof the meetings of all the Committees shall be placed before the Board for noting. All the rules and regulations applicable for conducting the board meeting shall also be applied to committee meeting. The Board has currently established the following committees

3.1. Audit Committee

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company'sinternal control and financial reporting process. The Audit Committee, in addition to overseeing the financial reporting process shall also carry out periodic reviews of various businesses/functions of the Company, review of internal audit and control assurance reports of all the major divisions, decide the terms of appointment of the auditors, review related party transactions and Whistle Blower Policy of the Company.

The Audit Committee shall consist of at least three members. Majority of members of the Audit Committee shall be Independent Directors. One nominee director shall also be appointed as member of the committee. Observer to the board shall function as observer of the committee. Provided that majority of members of Audit Committee including its Chairperson shall be persons with ability to read and understand, the financial statements. An independent director shall be appointed as Chairman of the committee. The Committee may invite the CEO, CFO, Statutory Auditor, Internal Auditor, other management representatives or external consultants to attend the Committee meetings as they may deem appropriate. Presence of nominee director is required for forming quorum of the meeting. The Terms of Reference of the Audit Committee are provided at Appendix 4.

The Chairman of the audit committee shall remain present at the Annual General Meeting to respond to shareholder queries. The Company Secretary will maintain minutes of the meetings of the Audit Committee. The meetings can also be conducted vide tele-conference/ video-conference, where permitted by applicable regulations or as required otherwise.

3.2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee deals with all elements of remuneration package of all the Executive Directors i.e. salary, benefits, bonuses, stock options, pension etc. including details of fixed component and performance linked incentives, along with the performance criteria. It also recommends and monitors the level and structure of remuneration for Key Managerial Personnel; and other employees. It also evaluates the service contracts, notice period and severance fees of the Directors. The Committee shall also concern itself with identifying candidates for nomination as Directors on the Board. The Committee shall also be responsible for orderly succession planning of the Board. The Committee shall also be responsible for implementation of the Board Evaluation framework.

The committee shall consist of three or more non-executive Directors out of which majority of directors shall be independent directors. One nominee director shall be appointed as member of the committee. Observer to the board shall function as observer of the committee. Presence of nominee director is required for forming quorum of the meeting. An independent director shall be appointed as Chairman of the committee.

The Company Secretary will act as Secretary to the Committee.

The Chairman of the Committee shall remain present at the Annual General Meeting, to answer the shareholder queries.

The Nomination & Remuneration Committee shall report to the Board of Directors of the Company. The Committee shall report its actions and any recommendations to the Board after each Committee meeting, which will include through the placing of its signed minutes before the Board of Directors.

3.3. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee shall be responsible for formulating and implementation of Corporate Social Responsibility Policy of the Company. The Committee shall also recommend the amount of expenditure to be incurred on CSR activities. The Committee shall bring any relevant issue to the attention of the Board and make recommendations relating to such issues. The Committee shall be assisted by such experts in discharging its obligations as it may consider necessary including requisite internal team that looks after the CSR agenda of the Company.

The Committee shall comprise of at least three Directors and at least one independent director shall be appointed as member of the committee. The terms of reference of the Committee are given at Appendix 6.

Video Conferencing

The Directors, who are unable to be physically present at a particular Board or Committee meeting, may attend the meeting through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and storing the proceedings of such meetings. The Directors attending the meeting through video conference or such other means as may be prescribed will be considered as present for the meeting.

4 Board Procedures

4.1 Meetings

The Board shall meet at regular intervals to discuss and decide on Company's business policy and strategy apart from other businesses. The Board and Committee meetings shall be pre-scheduled and a tentative annual calendar of Board and Committee meetings should be circulated to the Directors in the beginning of the year to facilitate them to plan their schedule and to ensure meaningful participation in the meetings.

The Board shall hold a minimum number of four meetings of its Board of Directors every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board. There shall be at least four Board meetings in a calendar year including quarterly meetings to consider the financial results of the Company and one meeting within 45 days of commencement of financial year for the approval of Business Plan. However, in case of a special and urgent business need, the Board's approval can be taken by circulating the resolution, which shall be confirmed by the Board at the next Board meeting. The periodicity of meetings of Board Committees shall be as per terms of reference of each committee.

The notice of the Board meetings shall be given to all the Directors and observer at least fifteen business days before the meeting. A meeting of the Board / Committee may be called at a shorter notice than those stated above, if the majority of members of the Board or Committee, as the case may be, agree. The proposal to hold the meeting at a shorter notice shall be stated in the Notice of the meeting and the fact that consent of the Directors was obtained shall be recorded in the Minutes thereof.

Usually, meetings of the Board will be held in Nashik. However, the Company may organize any meeting outside of Nashik or a visit to market or unit, as it may deem fit. Efforts shall be made to have full attendance at the meeting and it should be ensured that at least Nominee Director or Nominee Alternate Director shall be present in all the Board and committee meetings.

4.2 Agenda

The agenda of Board meetings shall be set by the Company Secretary in consultation with the Chairperson and Managing Director. The Company Secretary may also consult the Independent Directors at appropriate occasions. The Agenda shall be circulated at least fifteen business days prior to the date of the meeting to facilitate the Directors to provide their inputs, thoughts and suggestion at the meeting. The board can consider additional agenda with the consent of at least 1(One) Nominee Director. The decisions related to 'Investor Protection Matters' can be included in agenda and can be discussed and finalized in the board meeting only after obtaining the prior approval of consortium. The details of 'Investor Protection Matters' is specified in Appendix no. 7. The decision related to 'Board Majority Matters' as specified in Appendix no. 8 can be taken only with the consent of Nominee Director or Nominee Alternate Director.

The Agenda shall include detailed notes and draft resolutions on the items to be discussed at the meeting to enable Directors to take an informed decision.

The Agenda of each of the Board meeting shall inter-alia include:

a. regular items, such as reports from Management on the financial affairs of the Company, on performance against plan, reports from Board Committees, reports on litigation and governance matters, etc.;
b. special items, such as Business/ Functional Reviews;
c. items for approval;
d. items for noting; and
e. papers for information.

The Board and its Committees may conduct agenda matters through electronic documents online or through a software specific to conducting of Board Meetings.

Attendance at Board Meetings

The Board Meetings shall be attended by the Directors and on invitation of the Board by executives of the Company who can provide an insight into the agenda items being discussed. All the Executive as well as Non- Executive Directors shall endeavor to attend all meetings of the Board.

In case a Director cannot attend a specific Board Meeting, he or she shall obtain leave of absence from the Board.

However, if a Director absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board, the office of such director shall become vacant.

4.3 Decision Making Process

Each member of the Board shall have one vote and the resolutions of the Board shall be passed by a majority of votes. The chairperson of the Board shall not have a second or a casting vote.

4.4 Managing Conflict of Interests

The Board of Directors are responsible for ensuring that the rules are in place to avoid conflicts of interest by the Board members. Any conflict of interest or apparent conflict of interest between the Company and its Directors should be avoided. Where conflicts arise, the Board shall ensure that, in dealing with them, all applicable laws, regulations, codes and policies have been complied with.

The members of the Board shall avoid any interest in contracts entered into by the Company. If such an interest exists, the interested Director shall make a disclosure. In case of Conflict of Interest, the interested Director shall not participate in the decision making process and the same shall be recorded in the minutes of the meeting. In case of conflict of interest of Chairperson, the Chairperson shall abstain from participation in the discussion and another director shall act as Chairman for that decision.

The members of the Board shall in the first board meeting of the financial year and subsequently whenever there is a change in interest shall submit the details of individuals to whom they are related and entities in which they hold interest and the same shall be placed before the Board. Transactions with any of the entities referred above shall be placed before the Board or Audit Committee for approval in line with Related Party Transaction policy of the Company.

4.5 Board Support

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board for consideration. The Company Secretary is also responsible for the preparation of the agenda and convening of the meetings of the Board and Committees thereof. The Company Secretary shall attend all the meetings of Board and Committees thereof and advice/assure the Board and such Committees on Compliance and Governance principles and ensure appropriate recording of minutes of the meeting.

4.6 Recording of Minutes

The Company Secretary of the Company is responsible for proper recording of minutes. Minutes of theBoard & Committee meeting shall be circulated to the Board & committee respectively and approved within seven days of the meeting. The same shall be placed before the Board and Committee at its next meeting, for confirmation. The Board and Committee members can give their comments / suggestions on draft minutes and the same shall be incorporated in the minutes of the meeting.

4.7 Delegation of Powers

The Board has delegated certain powers, authorities and discretions (including the power to sub-delegate) to the Managing Director, the Board of Directors collectively and to the Board's Committees. The Board supervises the execution of its responsibilities by the Managing Director, members of Board of Directors and the Board Committees and is ultimately responsible for the fulfillment of the duties by them.

5 Directors

5.1 Term of Office of Directors

The Executive Directors serve in accordance with the terms of their contract of service with the Company which is for 5 years. The Managing Director of the Company is also appointed for a term of five years as per the requirement of the Act.

Independent Directors shall hold office for a term as decided at the time of appointment which is maximum five consecutive years. On conclusion of first term, if the Board considers it appropriate it can propose the re-appointment of an Independent Director for another period up to five years after taking approval of shareholders of the Company by way of a special resolution. Such proposal for reappointment shall be based on performance of the Independent Director and recommendation of the Nomination and Remuneration Committee and appropriate disclosure shall be made in the Board's Report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

5.2 Remuneration

The reward philosophy of the Company is to pay market competitive reward with a strong linkage to performance. The intent is to ensure that the principles of reward philosophy are followed in entirety, thereby facilitating the Company to recruit and retain the best talent. It also ensures the effective recognition of performance and encourages a focus on achieving superior operational results. The Nomination and Remuneration Committee shall review the total reward annually, taking into account external benchmark within the context of group and individual.

Executive Directors

The reward of the Executive Directors shall be determined by the Nomination and Remuneration Committee and shall be recommended to the Board for their approval. The total reward package for Executive Directors is intended to be market competitive with a strong linkage to performance in line with the Company's reward philosophy. In addition, the Company's Share Plans seek to reward Executive Directors by aligning their deliverables with shareholders' interests. The company may pay profit related commission. The remuneration shall be within the limits as approved by the board and shareholders as per the provisions of Companies Act, 2013. All the details related to remuneration shall be disclosed in annual report.

Non-Executive Directors

Non-Executive Independent Directors are eligible for sitting fees not exceeding limits prescribed under the Companies Act and out of pocket expenses incurred for attending the meeting. As per SHA, the company can pay maximum remuneration of US $ 20,000 to independent Directors and the Consortium Directors (other than the Consortium Directors that are employees of the Series A Investors). The remuneration payable to Non-Executive Directors is decided by the Board of Directors subject to the overall approval of the shareholders of the Company in every AGM. The Non-Executive Director shall not be entitled to Stock Option Plan of the Company. The company may pay profit related commission. The remuneration shall be within the limits as approved by the board and shareholders as per the provisions of Companies Act, 2013. All the details related to remuneration shall be disclosed in annual report.

5.3 Access to Independent Professional Advice

Directors are entitled to take independent professional advice, at the expense of the Company, on matters relating to the proper discharge of their office. This does not extend to issues regarding Directors' personal interests. The Company Secretary is responsible for arranging such external advice.

6 The Chairperson

6.1 Appointment

Subject to Articles of Association of the Company and applicable Laws and Regulations, the Board of Directors shall, after considering the recommendation of the Nomination and Remuneration Committee, appoint one of the independent director or shareholder farmer Director with senior experience and expertise as the Chairperson of the Company. The chairperson of the Board from the Effective Date as specified in SHA shall be the Key Promoter and shall hold position for an initial period of 3 (Three) years, subject to the consent of the Consortium. The term of the Key Promoter being the chairperson shall be increased with the prior written consent of the Consortium.

6.2 Responsibilities

The Chairperson's general and specific responsibilities cover:

a. conducting shareholders' meetings including AGMs;
b. leading the Board and ensuring that it operates effectively in relation to all aspects of its role;
c. ensuring that the members of the Board receive accurate, timely and clear information, in particular about the Company's performance, to enable the Board to take sound decisions, monitor effectively and provide advice to promote the success of the Company;
d. encouraging active engagement by all the members of the Board;
e. to take full account of the issues and the concerns of all Directors and ensuring that adequate time is available for discussion on strategic issues;
f. promoting effective relationships and open communication, both inside and outside the boardroom, between Non-Executive Directors and the Executive Directors;
g. building an effective and complementary Board, initiating change and planning succession in board appointments, subject to Board and shareholders' approval;
h. monitoring effective implementation of Board decisions;
i. ensuring clear structure for and the effective running of Board Committees;
j. in conjunction with the Senior Independent Director, ensuring that the performance of individuals and of the Board as a whole and its committees is evaluated at least once a

year;

k. in conjunction with Senior Independent Director, identifying and meeting the development needs of individual Directors and agreeing and regularly reviewing a personalized approach to training and development with each Director;
l. addressing the development needs of the Board as a whole with a view to enhancing its overall effectiveness as a team;
m. acting where appropriate as the Company's representative on corporate aims and policies including environmental and corporate social responsibility matters;
n. guarding the corporate reputation and relations with relevant stakeholders.

7 Managing Director

7.1 Appointment and Tenure

The Managing Director (MD) of the Company is appointed by the Board after considering the eligibility criteria and qualification of the candidates. The MD is appointed for a period of five years and is eligible for reappointment, subject to approval of shareholders. The MD is responsible for day to day management of the Company and has substantial powers of Management to discharge the responsibilities in managing the affairs of the Company on a day to day basis including power to sub delegate any of the powers in relation to the running of the Company. For the sake of brevity, these powers are not being reproduced again. Pleaserefer to the Board Role and Powers.

7.2 Responsibilities

The Managing Director is entrusted with all the Board's powers, authorities and discretions (including the power to sub-delegate any of those powers, authorities, decision- making powers and discretions) in relation to the operational running of the Company and specifically all the Board's powers, authorities and discretions in relation to the following matters:

Strategy and Maintaining the Corporate Portfolio

- Proposing for approval by the Board, the strategies for shaping of the portfolio and direction of the Company, Corporate Financial Plan and priorities in corporate resource allocation;
- ensuring that business plans and strategies are aligned with corporate objectives and priorities agreed with the Board;
- agreeing geographical markets, products and places of operation of business of the Company with the Board of the Company;
- monitoring the development of the markets in which the Company operates, testing future economic scenarios against growth objectives and making proposals to the Board for the corporate strategic priorities;
- ensuring delivery of the Company's agreed strategy, business plans and financial performance;
- preparing for approval by the Board periodic business performance report including quarterlyand annual results.

Financial

- setting financial and treasury strategies for the Company and implementing them;

- overseeing efficient functioning of the operating framework, the accounting and reporting policies, planning and reporting processes (including internal control measures and authoritylevels) and implementing and maintaining such framework, policies and processes;

Governance

- appointing and removing functional heads who report, directly or indirectly, to the Managing Director, subject to obtaining necessary approvals of the Committees, the Board and / or Shareholders of the Company, as may be applicable;
- proposing to the Nomination and Remuneration Committee the remuneration policy and the specific remuneration, bonuses and other terms of employment of Functional Heads, who report directly to Managing Director, including those who are Executive Directors on the Board but without prejudice to the authority of the Shareholders of the Company;
- supervising and determining the roles, activities and responsibilities of functional heads of the Company and delegate powers to enable them to perform their roles;
- ensuring that the performance of Functional / Business Heads is systematically assessed and adequately rewarded;
- ensuring a continual supply of leadership of the quality necessary to meet the strategic needs of the Business;
- establishing value leadership and expected norms of conduct, including implementation of and compliance with the Code of Business Principles;
- to provide, in conjunction with the Company Secretary, a properly constructed induction to new Directors;
- preparing for approval by the Board, and implementing and managing, Sahyadri Farms' risk management approach;
- notify the Board of any issues, projects or transactions that in his judgment have the capacity to impact the reputation of the Company.

Communication with Stakeholders

- interacting with the media and approving any press release in relation to any matter within the ambit of the Managing director;
- preparing all public filings, reports and statements relating to the Business and representing the Company with in trade and professional bodies.

Contracts

- power to enter into commitments, agreements, contracts, instruments or other documents onbehalf of the Company in relating to day to day functioning of the business.

The Managing Director in discharging his duties is responsible to the Board as a whole.

8 Independent Directors

Definition of Independent Director

The Board shall comprise Directors who qualify as "Independent" as per the statutory provisions applicable to the Company. The criteria chosen by the Board for Independent Director are as follows:

a. is a person of integrity and possess relevant expertise and experience as may be deemed necessary by the Nomination and Remuneration Committee;
b. is or was not a promoter / promoter group of the Company or holding, subsidiary or associate company;
c. is or was not related to promoters or Directors in the Company or holding, subsidiary or associate company;
d. does not have or did not have any pecuniary relationship with the company or holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
e. none of the relatives has or had pecuniary relationship or transaction with the company or holding, subsidiary or associate company, or their promoters, or Directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
f. who, neither himself nor any of his relatives, holds or has held the position of a key managerial personnel or is or has been employee of the company or holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
g. who, neither himself nor any of his relatives, has or had no relationships within the last three years with statutory auditor, secretarial auditor, cost accountant, legal or consulting firm that has had transaction with the Company or its holding, subsidiary or associate company;
h. who, neither himself nor any of his relatives, holds two per cent or more of the total voting power of the company;
i. has or had no material business relationship with customers or suppliers of the company; during last three years;
j. who possesses such other qualifications as deemed necessary by the Nomination and Remuneration Committee, in line with the criteria for appointment to the Board;
k. is not a Chief Executive or director, of any nonprofit organization that receives twenty-five percent or more of its receipts from the company, any of its promoters, Directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company.

The Board will decide on the independence of a Non-Executive Director by applying these criteria to the particular circumstances of the individual concerned. Where there are additional criteria for a member to be considered independent imposed by applicable laws and regulations, the Board will apply such criteria. Every Independent Director shall at the time of appointment to the Board at the beginning of 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'.

8.2 Tenure

Independent Directors shall hold office for a term as decided at the time of appointment which is maximum five consecutive years on the Board of the Company. On conclusion of first term of 5 years, if the Board considers it appropriate it can propose the re-appointment of an Independent Director for another period of five years after taking approval of shareholders of the Company by way of a special resolution. Such proposal for reappointment shall be based on performance of the Independent Director and recommendation of the Nomination and Remuneration Committee and appropriate disclosure shall be made in the Board's Report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director. Provided that an independent director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

In case any vacancy is caused by resignation or removal of an Independent Director and the composition of Board is not in compliance with the requirement of statute, such vacancy shall be filled in the next Board Meeting or within three months, whichever is later.

8.3 Meeting of Independent Directors

Independent Directors shall amongst themselves shall meet once in every financial year. The agenda of the meetings shall, inter alia, include following items:

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.

The Independent Directors may ask members of management and external professional advisers to attend those meetings. The Company Secretary shall assist them with the support they need.

In addition to these formal meetings, regular interaction shall take place between the Chairperson and Independent Directors to discuss such issues as are deemed appropriate.

9 The Company Secretary

9.1 Formal Status

The appointment or removal of the Company Secretary is a matter for the Board as a whole. All Directors have open access to the Company Secretary at any time and on any matter relating to the Company. The Company Secretary reports to the Board and administratively to the Managing Director of the Company.

9.2 Responsibilities

The Company Secretary is responsible:

a. to provide to the Directors of the company, collectively and individually, such guidance as they may require, with regard to their duties, responsibilities and powers;
b. to facilitate the convening of meetings and attend Board, Committee and General Meetings and maintain the minutes of these meetings;
c. to obtain approvals from the Board, shareholders at the General Meeting, the Government and such other authorities as required under the provisions of the Act;
d. to represent before various regulators, and other authorities under the Act in connection with discharge of various duties under the Act;
e. to assist the Board in the conduct of the affairs of the company;
f. to assist and advise the Board in ensuring good corporate governance and in complying with the corporate governance requirements and best practices; and
g. to discharge such other duties as have been specified under the Act or rules;
h. to ensure that the compliance status across the Organization is monitored and reported to theBoard; and
i. such other duties as may be assigned by the Board from time to time.

9.3 Functions

The functions of the company secretary shall include :

a. to report to the Board about compliance with the provisions of this Act, the rules made thereunder and other laws applicable to the company;
b. to ensure that the company complies with the applicable secretarial standards;
c. to discharge such other duties as may be prescribed.

10 Directors Induction & Training

10.1 Background

The provision of an appropriate induction programme for new Directors and ongoing training for existing Directors is a major contributor to the maintenance of high corporate governance standards of the Company. The Managing Director and the Company Secretary are jointly responsible for ensuring that such induction and training programmes are provided to Directors.

The Independent Directors also request management to provide detailed understanding of any specific project, activity or process of Sahyadri Farms. The management provides such information and training either at the meeting of Board of Directors or otherwise.

10.2 Induction

The induction process is designed to:

a. build an understanding of Sahyadri Farms, its businesses and the markets and regulatory environment in which it operates;
b. provide an appreciation of the role and responsibilities of the Director;
c. fully equip Directors to perform their role on the Board effectively; and
d. develop understanding of Company’s people and its key stakeholder relationships.

The Company Secretary shall provide new Directors, both Executive and Non-Executive, with a briefing on their legal and regulatory responsibilities as Directors. This includes provision of a Directors' Induction kit containing general information on Company's Structure, Key Policies of the Company, Brief profile of the Board of Directors, Role and Responsibility of the Directors and necessary disclosure forms. The Managing Director provides a briefing on Company's current structure and performance of business.

The induction briefing for Non-Executive Independent Directors includes interactive sessions with Business and Functional heads, Auditors and a visit to market or any plant.

10.3 Training

The Company Secretary keeps the Board briefed on legal and regulatory developments relevant to the Company and the Directors. The Company Secretary ensures that the programme to familiarize the Non-Executive Directors with the business is maintained over time and kept relevant to the needs of the individuals involved and the Board as a whole. Based on the yearly performance evaluation of the Board and individual Directors, the Chairperson shall in consultation with Senior Independent Director agree on the Training and Development needs of the Board as a whole and decide on action plan for each year. The Company Secretary shall be responsible for implementation of such plan and Chairperson shall regularly review the same.

In addition to the extensive induction and training provided as part of the familiarization programme, the Independent Directors are also taken through various business and functional sessions in the Board meetings including the Board meetings to discuss strategy.

11 Board Evaluation

11.1 Background

It is important that the Board, Board Committees and individual Directors are evaluated on the effectiveness of their performance in a rigorous and structured manner to ensure that their contribution is reflected in the growth of the Company whilst adhering to highest corporate governance standards. The Companies Act, 2013 (the Act) also provides for the evaluation of the Board, its Committees and individual Directors. The Act requires disclosure in the Board's Report of the manner in which a formal annual evaluation has been made by the Board of its own performance and that of its Committee and Individual Directors. The Act has tasked the Nomination & Remuneration Committee of the Board with evaluation of each Director.

11.2 The Board

The Chairperson of company in consultation with a Chairperson of the Nomination and Remuneration Committee shall lead the process of evaluation of the Board as a whole. The Company Secretary shall be responsible for organizing such an evaluation.

Following each evaluation, a report shall be prepared by Chairperson of company based on appropriate interviews and/or responses to questionnaires. The report shall be reviewed and discussed by the Board following its submission to the Board by the Chairperson.

Thereafter, the Chairperson, with the support from the Company Secretary shall implement the actions that the Board decides as appropriate. The Chairperson can take the help of independent consultant, if required.

11.3 Board Committees

Each Chairperson of a Board Committee shall lead the process of evaluating the performance of that Committee. This includes taking the views of the Board on the performance of that Committee, the delivery of performance against the terms of reference of the Committee.

The Chairperson of the Committee shall report the results of the process to the Board.

11.4 Independent Directors

The evaluation of Independent Directors shall be done by the entire board of Directors which shall include -

(a) performance of the Independent Directors; and

(b) fulfillment of the independence criteria from the management.

11.5 Non-Executive Directors

For Non-Executive Directors, such evaluation shall be based on criteria viz. the considerations which led to the selection of the Director on the Board and the delivery against the same, contribution made to the Board / Committees, attendance at the Board / Committee Meetings, impact on the performance of the Board / Committees, instances of sharing best and next practices, engaging with top management team of the Company, participation in strategy Board Meetings etc.

11.6 Executive Directors

The criteria for evaluation of Executive Directors will include contribution made to the Board / Committees, attendance at the Board / Committee Meetings, impact on the performance of the Board / Committees, participation in strategy Board Meetings and contribution made to the functions specifically assigned as executive director.

11.7 Chairperson

The Chairperson of Nomination and Remuneration Committee shall lead the evaluation process whereby the Board evaluates the performance of the Chairperson. In this process, the Chairperson of Nomination and Remuneration Committee shall consult the Executive Directors and fellow Non-Executive Directors.

The Chairperson of Nomination and Remuneration Committee shall share the results of the assessment with the Chairperson. These individual assessments should be taken into account in the evaluation of the performance of the Board as a whole.

11.8 Timing

The evaluations will be carried out on an annual basis.

11.9 Processes

The Company Secretary shall, in consultation with the Chairperson and Chairperson of Nomination and Remuneration Committee, lay down the process and provide guidance on how to carry out the evaluation. The Company Secretaryshall update this guidance on annual basis in the light of internal experience and external best practice. The Company Secretary may also take help of an independent consultant if required for review / development ofthe evaluation process.

11.10 Reporting

The annual report of the Company shall describe the process followed for evaluation and shall also include a report on evaluation.

12 Financial Reporting and Risk Management

The Board of Directors shall present a balanced and understandable assessment of the company's position and prospects to shareholders and statutory authorities. This shall include reporting requirements under various regulations and statutes. The Board shall, either directly or through a committee, ensure establishment and maintenance of disclosure controls and procedures. The Board shall also evaluate the appropriateness of the disclosures made.

12.1 Dividend Policy

The Company believes in continuous shareholder value enhancement and seeks to pay an attractive, sustainable and growing dividend to the shareholders of the Company. The Board of Directors may, after considering the situation prevalent at the relevant point in time, propose if the dividend needs to be declared and if so, the rate at which it needs to be declared

The Dividend declared by the Board shall be subject to approval of shareholders at the Annual General Meeting.

12.2 Internal Control

The Board shall be responsible for sound internal control systems and shall on annual basis check effectiveness of internal controls systems. This review should cover all material controls including financial, operational and compliance related controls.

Internal Auditor

In order to ensure the independence and credibility of the internal audit process, the Board shall appoint an internal auditor who will be supported by a team of independent auditors and shall be responsible for internal audit. The internal auditor shall conduct internal audit of the functions and activities of the company. The internal auditor shall, in consultation with Audit Committee, formulate the scope, functioning, periodicity and methodology for conducting the internal audit. The Internal Auditor reports to the Audit Committee and is administratively reporting to the Chief Financial Officer. The Appointment and Remuneration of Internal Auditor will be subject to approval of Audit Committee.

12.3 Auditors

The Statutory Auditor shall be appointed by shareholders at the Annual General Meeting, based on the recommendation of the Board of Directors. The Audit Committee shall be the first point of reference for appointment of auditors (including internal auditors) and shall evaluate the performance of the Statutory and Internal Auditor and recommend to the Board their appointment, re-appointment along with the annual audit remuneration or removal.

The Audit Committee will review and monitor Auditor's independence, objectivity and effectiveness of the audit process. The Audit Committee will discuss the annual work programme and the depth and detailing of the audit plan to be undertaken by the auditors. The Audit Committee may approve the engagement of the auditors to supply statutorily permissible non-audit services.

All Directors, and in particular the Chairperson and members of the Audit Committee, have open access to the Statutory and Internal Auditor of the Company at any time and vice versa. The Statutory Auditors have open access to the Internal Auditor at any time and vice versa.

The Board shall also appoint Independent Secretarial Auditors to conduct secretarial audit on an annual basis and submit the report to the Board.

Rotation

In order to maintain independence of Auditors, the Company shall rotate the audit firm every five years.

13 Relation with Shareholders

The Company recognizes the importance of continuous communication with the shareholders of the Company and is committed to implementing effective and innovative ways of conveying effective information to our shareholders. The Company shall provide to shareholder's access to balanced and understandable information about the Company.

13.1 Rights of Shareholders

The Shareholders of the Company shall have following rights:

- to participate in, and to be sufficiently informed on, decisions concerning fundamental corporate changes;
- opportunity to participate effectively and vote in general shareholder meetings;
- to be informed of the rules, including voting procedures that govern general shareholder meetings;
- opportunity to ask questions to the board, to place items on the agenda of general meetings, and to propose resolutions, in accordance with the provisions of the Companies Act, 2013;
- participation in key decisions, such as the nomination and election of board members;
- sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be discussed at the

meeting;

- sufficient and timely information on capital structures and arrangements that enable certain shareholders to obtain a degree of control in proportionate to their shareholding;
- exercise of ownership rights by all shareholders, including institutional investors;
- adequate mechanism to address the grievances of shareholders;
- protection of minority shareholders from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly, and effective means of redress.

13.2 Contact with the Directors

Shareholders may contact an Individual Director, the Board as a group, or a specified Board Committee, including the Independent Director, by sending communication to the Company Secretary at the registered office. The Company Secretary Department will receive and process communications before forwarding them to the addressee. A communication concerning a process related or general query will be answered by the Company Secretary Department. Communication concerning serious issues will be escalated to the Chairperson of the Company through the Company Secretary of the Company.

Each Director is encouraged to attend the Company's annual meeting of shareholders to address shareholder’s concerns, if any.

The Company Secretary Department shall be first point contact for the shareholders and shall be responsible for ensuring the highest standard of service levels to the Shareholders / Investors. The Company shall periodically conduct investor satisfaction survey and benchmark the service standards for continuous improvement.

13.3 Methods of Communication

The Company shall regularly communicate relevant information to shareholders through a range of forums, publications and online. These shall include:

a. the General Meeting
b. transcripts of Minutes of General Meetings and Speeches
c. the Annual Report
d. investor presentations
e. disclosures to the Stock Exchanges
f. the Company website

In addition to the formal interactions with the shareholders in the General Meeting, the Company Secretary and the Company Secretary Department shall hold such interactive meetings with the shareholders as may be required to address concerns of shareholders, if any.

13.4 Grievance / Dispute Resolution

The Company has put in place the process of resolving shareholders disputes and grievances. In case of any shareholder’s / investor’s grievance arising out of the shares, dividends or any other related matter, the first point of contact shall be the Company Secretary Department of the Company. The Company Secretary team shall attempt to resolve any such grievance mutually in a speedy manner. In case the shareholder is not satisfied with the resolution provided by the Company Secretary Department, the matter may be referred to the Chairman of the Company. In case the shareholder is not satisfied with the solution, the shareholder shall approach the Board of Directors. The decision of Board of Directors shall be final and binding.

13.5 Information and Inspection Rights

As per the provisions of SHA, the consortium has following rights related to information and inspection of the company

▪ Reports and Information – Consortium shall be entitled to receive, the following information regarding the Company and the Subsidiaries:

- the audited financial statements of the Company and the Subsidiaries (stand alone and consolidated) within a period of 90 (Ninety) days from the end of each Financial Year in accordance with Indian GAAP;
- unaudited financial statements of the Company and the Subsidiaries (stand-alone and consolidated) within a period of 60 (Sixty) days from the end of each Financial Year in accordance with Indian GAAP;
- unaudited monthly management information system data pack of the Company and the Subsidiaries (as per agreed format), certified by the Company or the relevant Subsidiary, as applicable and the Key Promoter Group, prepared as per the accounting policies as per Indian GAAP, within a period of 14 (Fourteen) days from the end of each calendar month;
- unaudited quarterly financial statements (profit and loss accounts and balance sheet) (stand alone and consolidated), including quarterly and year to date cash flow statements of the Company and the Subsidiaries, certified by the Company or the relevant Subsidiary, as applicable, and the Key Promoter Group, prepared in accordance with Indian GAAP, within a period of 30 (Thirty) days from the end of each calendar quarter;
- within 30 (Thirty) days from the end of each financial quarter, a report on important developments, including any material E&S events or incidents in relation to the Company or the Subsidiaries and their respective businesses during the last financial quarter;
- reports on environment and social monitoring, in a format acceptable to the Investors, upon request by the Investors;
- impact and operating indicators in a format to be agreed, within a period of 14 (Fourteen) days from the end of each financial quarter;
- certified true copies of the final approved minutes of the Board, the committees of the Board and Shareholders' meetings of the Company and the Subsidiaries, within a period of 7 (Seven) days from the concerned meeting;
- the Business Plan for each Financial Year within 45 (Forty-Five) days from the commencement of such Financial Year;
- within 2 (Two) days after the discovery of any Material Adverse Effect, a statement outlining such event and the response of the Board on the event;
- details of (a) litigation or investigations or proceedings which have or may reasonably be expected to have a Material Adverse Effect on the Company or the Subsidiaries; and (b) any criminal investigations or proceedings against the Company or the Subsidiaries or the Key Promoter Group, and any such notification shall specify the nature of the action or proceeding, and any steps that the relevant party proposes to take in response to the same. Such notification shall be providing to the Investors immediately upon the Company or the Subsidiaries and/or Key Promoter Group becoming aware of the same;
- Within 15 (Fifteen) days from the end of each calendar quarter, a report on the regulatory and government filings undertaken by the Company and its Subsidiaries along with updates on any filings previously made by the Company or Subsidiaries which were rejected or with respect to which objections were received by the Company or the Subsidiaries, as applicable.
- copies of all management letters or reports on internal control produced by auditors with respect to the Company and the Subsidiaries within 2 (Two) days of such letter and/or report being available;
- list of all Related Party transaction undertaken by the Company and the Subsidiaries for each quarter, within a period of 30 (Thirty) days from the end of each financial quarter; and

- all other additional information, filings, documents, materials and reports as may be requested by the Investor from time to time.

▪ Reports and Information – Consortium shall be entitled to receive, the following information regarding the Holding Company;
- the audited financial statements of the HoldCo (standalone) within a period of 180 (One Hundred and Eighty) days from the end of each Financial Year in accordance with Indian GAAP;
- certified true copies of the final approved minutes of the board of directors, the committees of the board and shareholders' meetings of the HoldCo, pertaining to decisions, which directly or indirectly impacts the Company within a period of 30 (Thirty) days from the end of each financial quarter;
- updated shareholding of the HoldCo at end of each financial quarter along with details of change in shareholding therein, within a period of 30 (Thirty) days from the end of each financial quarter;
- within 2 (Two) days after the discovery of any Material Adverse Effect, a statement outlining such event and the response of the Board on the event; and
- all other additional information, documents, materials and reports as may be requested by the Investor from time to time.

▪ The Company shall (a) on a quarterly basis provide to the Board and Directors, a letter certifying the compliance with all Applicable Laws, tax payments etc. by the Company and the Subsidiaries; and (b) on an annual basis provide to the Board and Directors, a letter certifying the compliance with all Applicable Laws, tax payments etc. by the HoldCo.

▪ Simultaneously with delivery to any Shareholder, the Company and the Key Promoter Group shall provide all documents and other information provided to each other Shareholder.

▪ Upon request of an Investor, the Company and the Key Promoter Group shall deliver to such Investor, any information reasonably required for the purposes of such Investors' Know-Your-Customer (KYC) process, including information on officers, Directors, Shareholders.

▪ The Key Promoter Group shall procure that the Company's financial controller (or executive with similar corporate status) and other relevant members of the senior management team shall be available to meet with the Investors within 30 (Thirty) days of receipt of information as set out in this Clause 3 (Information and Inspection Rights) and upon the Investors' request with reasonable notice to discuss and respond to queries on any such information received. In addition to the above, the Investors may request from the Company, any other information and data on the Company's operations and financial condition, and on market conditions as a whole, which shall be provided by the Company where reasonably available and obtainable.

▪ The Company shall supply to FMO with a copy to the other Investors:
- Promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against it or any of its Subsidiaries or any other member of the Group, and which might, if adversely determined, have a material adverse effect;
- annually, at the same time as the Company is required to supply its financial statements as per this Agreement such further information as FMO may reasonably request on the development impact of the activity (co-) financed by FMO in order for FMO to report thereon on its website (www.fmo.nl) on aggregate basis, including, to the extent applicable, any development impact reporting as referenced in this Agreement. The Company acknowledges that the performance indicators referred to in this Agreement may be amended from time to time by FMO acting reasonably and upon reasonable notice;
- promptly, such further information regarding the financial condition, business and operations of the Company and any of its Subsidiaries and any other member of the Group as FMO may reasonably request; and
- promptly, such further information as FMO may reasonably request in respect of the

(evaluation of) environmental and social practices, corporate governance practices, and development impact of the activity (co-)financed by FMO.

- promptly provide FMO with such information as required in accordance with SCHEDULE 16 of SHA.
- The Company shall supply to FMO and Proparco, such information and notification as agreed to under the Environmental and Social Undertakings in SCHEDULE 19 of SHA.
- On and from the Effective Date, the Company shall, and the Key Promoter Group shall authorize and procure the Company's auditors to communicate directly with the Investors and/or the Consortium regarding the Company, the Subsidiaries or the Key Promoter Group's financial statements, accounts, and operations.
- Inspection Rights. In addition to the information and materials to be provided under Clause 3.1, the Company and its Subsidiaries, shall so long as Consortium holds any Securities in the Company, permit an Investor and/or its Affiliates(s) and / or its Designated Persons, at all times during normal business hours to visit and inspect to its satisfaction, the offices of the Company and its Subsidiaries, at the cost of the Company, subject to a yearly cap of USD 5,000 (United States Dollars Five Thousand) for each Investor. Such Investor and/or its Affiliates(s) and / or its Designated Persons will be entitled to inspect all the books, records, contracts and financial accounts and other documents of the Company and its Subsidiaries as well as conduct independent audits with 2 (Two) days' prior notice to the Company and/or the Subsidiaries. The Company and the Key Promoter Group shall render necessary co-operation and provide such other authorization as may be required. Each Investor and/or its Affiliates(s) and / or its Designated Persons shall also have a right to consult with and receive information, documents, etc., about the Business and operation of the Company and/or its Subsidiaries, from the Company's Directors, employees, officers, accountants, consultants, counsel (internal or external) and internal and external auditors of the Company and the Subsidiaries. The Company and the Key Promoter Group shall, where required, facilitate such consultation including by issuing appropriate instructions to the persons referred to above.
- Each Investor shall also have a right to consult with and receive information, documents, etc., about the business and operation of the HoldCo, from the directors, employees, officers, accountants, and auditors of the HoldCo. The Key Promoter Group shall, where required, facilitate such consultation including by issuing appropriate instructions to the persons referred to above.
- Upon the request of FMO, the Company shall provide FMO with a true and accurate bank account statement or transfer details from the Company's bank including the bank account number, name and address of the Company (and to the extent applicable, amount as well as transfer currency) in form and substance satisfactory to FMO (the "Bank Account Statement") to enable FMO to complete the verification of the bank account in line with its internal regulations.
- The Company undertakes to notify FMO promptly in case of a change to the Company's bank account number and in any event prior to any distributions to or drawdowns from FMO to enable FMO to complete the verification of the new bank account in line with its internal regulations. Such notification shall be accompanied by a true and accurate Bank Account Statement.

14 Related Party Transactions Policy

The Policy

Sahyadri Farms Post Harvest Care Limited shall engage with Related Parties in the ordinary course of business and on an arm's length basis to leverage scale, size and drive operational synergies to provide value added, innovative products to its consumers while ensuring that transactions with Related Parties are, fully compliant with applicable Regulations.

a) POLICY STATEMENT:

- It is the policy of the company to ensure that all related party transactions are conducted in an open and transparent manner.
- The objective of this policy is to manage conflicts arising with related party transactions and prevent the potential abuses derived from conflicts of interest that may occur when approving a transaction with a related party.
- Related party transactions should be clearly identified, carried out on arm's length basis and be clearly beneficial to all shareholders.

b) SCOPE:

- This policy applies to the transactions between the Company and its Related Parties.
- This policy on Related Party Transactions shall be governed by Section 188 of the Companies Act, 2013 read with the rules made thereunder, and the Shareholders Agreement signed on 18th August 2022 (including any amendments made later).

c) DEFINITIONS:

- "Arm's Length Transaction" means a transaction between two Related Parties that is conducted as if they are unrelated, so that there is no conflict of interest.
- "Associate Company" in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company. For the purposes of this policy, "significant influence" means control of at least twenty per cent of total voting power, or control of or participation in business decisions under an agreement.
- "Audit Committee" means the committee of the Board of the Company constituted in accordance with provisions of the Companies Act 2013.
- "Board" shall mean the Board of Directors of the Company, as constituted from time to time.
- "Company" shall mean Sahyadri Farms Post Harvest Care Limited. (SFPHCL)
- "Consortium" shall mean the group of Investors as per the Shareholders Agreement.
- "Control" includes the right to appoint majority of the Directors or to control the management or policy decisions exercisable, directly or indirectly, including by virtue of their shareholding or management rights or shareholder agreements or in any other manner.
- "Directors" shall mean the Directors as defined under Section 2(34) of the Companies Act 2013, including independent directors, and Nominee Directors appointed by the Consortium under the Shareholders Agreement.
- "Key Managerial Personnel" (KMP) as defined under the Companies Act, 2013 means:
    - Chief Executive Officer (CEO) or Managing Director or Manager
    - Company Secretary (CS)
    - Whole-time Director (WTD)
    - Chief Financial Officer (CFO)
    - Such other officer as may be prescribed by the Shareholder Agreement or designated by the Board of Directors through a resolution
- "Ordinary course of business" means the transactions which may not be considered as outside companies' normal course of business.

  Followings are some guidance points to consider ordinary / non - ordinary course of business:
    - The objects of the company permit such activity.
    - It is a historical practice and there is a pattern of frequency (and not an isolated transaction).

- It has a connection with the normal business carried on by the company.
- The income, if any, earned from such activity / transaction is assessed as business income in the company's books of accounts and hence, is a 'business activity'; or
- It is a common commercial practice.

- "Promotor group" shall mean the Holding Company (Sahyadri Farmers Producer Company Ltd), Key Promotor and the Other Promotors as defined in the Shareholders Agreement.

- "Related Party", with reference to a company [as per section 2(76) of Companies Act 2013]:
  - A director, other than an independent director, or his relative
  - Key managerial personnel or his relative
  - A firm, in which a director, manager or his relative is a partner
  - A private company (including a farmer producer company) in which a director or manager or his relative is a member or director
  - A public company in which a director or manager is a director and holds along with his relatives, more than 2% of its paid-up share capital
  - Any body corporate whose board of directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager, except such advice is given in a professional capacity
  - Any person on whose advice, directions or instructions a director or manager is accustomed to act, except such advice is given in a professional capacity
  - A director, other than an independent director, or Key Managerial Personnel of the Holding Company or his relative with reference to a company
  - A company which is a Holding Company, Subsidiary Company or an Associate company of such company
  - A company which is a Subsidiary Company of a Holding Company to which it is also a Subsidiary Company
  - Promotor group member, promotor group owned / controlled companies & relatives of promotor group

  An entity which is subsidiary, holding, associates or controlled entity of promotor group owned or controlled company

- "Related Party Transaction" means any transaction with a related party, including but not limited to:
  - sale, purchase or supply of any goods or materials
  - selling or otherwise disposing of, or buying, property of any kind
  - leasing of property of any kind
  - availing or rendering of any services
  - appointment of any agent for purchase or sale of goods, materials, services or property
  - such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company
  - underwriting the subscription of any securities or derivatives thereof of the Company

- "Relative", with reference to any person, means any person who is related to another if:
  - They are members of a Hindu undivided family
  - They are husband and wife

  - Father (including step-father)
  - Mother (including step-mother)
  - Son (including step-son)
  - Son’s wife
  - Daughter (including step-daughter)
  - Daughter’s husband
  - Brother (including step-brother)
  - Sister (including step-sister)

- “Shareholders Agreement” means the agreement signed on 18th August 2022 between Incofin India Progress Fund, Korys Investments NV, Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden NV, Société de promotion et de participation pour la coopération Économique (PROPARCO) SA, Sahyadri Farms Post Harvest Care Limited, Sahyadri Farmers Producer Company Limited, Key Promoter and Other Promoters.

d) MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS:

1. Identification of Related Parties

   a) Related parties shall be identified under Section 188 of Companies Act 2013, as amended time to time.

   b) The Secretarial Department of the Company shall request information that may be required for inclusion in the list of Related Parties from all the Directors and Key Managerial Personnel of the company.

   c) Each Director and Key Managerial Personnel of the Company shall be required to inform the Secretarial Department of the Company of any change in the information previously provided on the list of Related Parties of the Company.

   d) Each Director and Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction involving him / her or his / her relative, including any additional information about the transaction that the Board / Audit Committee may reasonably request.

   e) The list of identified Related Parties will be tagged and updated in the accounting system regularly and periodically sent out to those officials of the Company that might be in the position to conduct or know of the possible conduct of Related Party Transactions.

   f) The Company shall regularly verify and update the Related Party List and review and confirm (at least once a quarter) in accordance with the Act.

2. Transactions with Related Parties

   a) The Company shall ensure that all transactions with Related Parties, have been and shall always be, on an arm's length basis and with prior approval of the Audit Committee. Arm’s length price (specifically referred to as “Transfer Price”) shall be calculated as per the provisions mentioned in the Transfer Pricing policy.

b) Transactions entered with a related party in the ordinary course of business and on an arm's length basis are deemed to be approved by the Consortium.

c) Before undertaking any transaction, it must be examined by the Company whether such transaction qualifies as a Related Party Transaction, requiring compliance with this Policy. The Chief Financial Officer in consultation with the Company Secretary and other persons, as appropriate, shall determine whether a transaction does, in fact, constitute a Related Party Transaction and if so, seek approval as provided in 5.3 as the case may be.

3. Approval Mechanism for Related Party Transactions

a) In case of transactions entered with a related party in the ordinary course of business and on an arm's length basis:

- Approval of the Audit Committee is to be obtained for all such transactions
- The Company may obtain omnibus approval from the Audit Committee for such transactions which are repetitive in nature and in the interest of the Company. Such omnibus approval shall be in accordance with Section 177 (4)(iv) of the Companies Act 2013, read with Rule 6A of Companies (Meetings of Board and its Powers) Rules, 2014.
- Such approval should be obtained in the first Audit Committee Meeting of the financial year and it should be valid for that financial year.

b) In case of transactions entered with a related party which are not in the ordinary course of business and / or on an arm's length basis:

- Approval of the Audit Committee is to be obtained for all such transactions
- Such transactions shall also be approved by the Board of Directors, through a board resolution

c) In case of transactions entered with a related party which are not in the ordinary course of business and / or on an arm's length basis, exceeding the materiality thresholds [as defined under Section 188 of the Companies Act 2013, read along with rule 15 of the Companies (Meetings of Board & its Powers) Rules 2014]:

- Approval of the Audit Committee is to be obtained for all such transactions
- Approval of the Board of Directors, through a board resolution
- Resolution passed by the company's shareholders, approving the transaction

Exemption: Transactions entered between a holding company and its wholly owned subsidiary whose accounts are consolidated do not require approval from shareholders even if it exceeds the limit, and resolution passed by the holding company will be sufficient for the purpose of entering into the transaction.

The materiality thresholds provided in Rule 15 of the Companies (Meetings of the Board and its Powers) Rules, 2014, are:

- Sale, purchase or supply of goods and materials amounting to 10% or more of the turnover of the company or more than INR 1000 crores;
- Selling, disposing of or buying property of any kind amounting to 10% or more of the net worth of the company;
- Leasing of property of any kind amounting to 10% or more of the turnover of the company;
- Availing or rendering or services amounting to 10% or more of the turnover of the company;
- Related party's appointment to any office or place of profit in the company or its subsidiary or associate at a monthly remuneration exceeding INR 2.5 Lakhs; and
- Giving remuneration for underwriting the subscription of any securities or derivatives thereto exceeding 1% of the net worth of the company.

d) It is pertinent to note that in case any director or audit committee member or shareholder has a potential interest in any Related Party Transaction, he / she shall abstain from any discussions or voting on such proposals.

4. Related Party Transaction without approval

a) Where any contract or arrangement is entered into by a director or any other employee, without obtaining the consent of the Audit Committee or Board or approval by a resolution in the general meeting under sub-section (1) and if it is not ratified by the Audit Committee or Board of Directors or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board or, as the case may be, of the shareholders, and if the contract or arrangement is with a related party to any director, or is authorized by other director, the Directors concerned shall indemnify the company against any loss incurred by it.

b) It shall be open to the Company to proceed against a director or any other employee who had entered into such contract or arrangement in contravention of the provisions of this Policy for recovery of any loss sustained by it as a result of this contract or arrangement.

5. Disclosure and Reporting on Related Party Transactions

a) List of all Related Party Transactions undertaken by the Company and its subsidiaries for each quarter shall be reported to the Board, within a period of 30 (Thirty) days from the end of each financial quarter.

b) List of all Related Party Transactions undertaken by the Company shall also be disclosed in the annual financial statements prepared at the end of each financial year.

c) Board’s report shall also contain details of the Related Party Transactions as required under the applicable law. However, management is not of the opinion to disclose all such transactions as some may be of an insignificant amount. Hence, a criterion of materiality has been applied, wherein only transactions more than 10% of the annual consolidated turnover (material transactions) will be disclosed.

e) REVIEW OF THE POLICY

1. The Board of Directors may, subject to applicable laws, amend any provision(s) or substitute any of the provision(s) with new provision(s) or replace the Policy entirely with a new policy. Any subsequent amendment/ modification in the Act/ applicable laws in this regard shall apply automatically to this policy.

2. The adequacy of this Policy shall be reviewed and reassessed by the Board of Directors on an annual basis, or on appropriate recommendations received from the Audit Committee, based on the changes that may be brought about due to any regulatory amendments or otherwise.

3. In the event of any conflict between the provisions of this RPT Policy and applicable laws, the provisions of such applicable laws shall prevail over this Policy.

Approval Matrix for all Related Party Transactions

In line with Applicable Regulatory Provisions, the approvals from the below governing bodies are required prior to undertaking the RPT:

Audit Committee	Board	Shareholders
- All RPT undertaken by the Company;	- Transactions entered with a related party which are not in the ordinary course of business and / or on an arm's length basis - Transactions entered with a related party which are not in the ordinary course of business and / or on an arm's length basis, exceeding the materiality thresholds [as defined under Section 188 of the Companies Act 2013, read along with rule 15 of the Companies (Meetings of Board & its Powers) Rules 2014] - Subsequent Modifications to RPT	- Transactions entered with a related party which are not in the ordinary course of business and / or on an arm's length basis, exceeding the materiality thresholds [as defined under Section 188 of the Companies Act 2013, read along with rule 15 of the Companies (Meetings of Board & its Powers) Rules 2014] - Subsequent Modifications to RPT Policy; - -

	Policy;	

2 Transparency and Disclosures

The Company shall conduct its operation with honesty, integrity and openness and shall provide the Board and Stakeholders with true and fair view of Company's progress. In all its dealings, the Company shall uphold principles of good governance for healthy growth of the Company, as well as inclusive growth of the economy. The Company shall disseminate timely and accurate information and shall, inter alia, disclose all material matters including the financial situation, performance, ownership, and governance of the Company. The information should be prepared and disclosed in accordance with the prescribed standards of disclosure.

The company should implement the prescribed accounting standards in letter and spirit in the preparation of financial statements taking into consideration the interest of all stakeholders and should also ensure that the annual audit is conducted by an independent, competent and qualified auditor.

Where in the preparation of financial statements, a treatment different from that prescribed in an Accounting Standard has been followed, the fact shall be disclosed in the financial statements, together with the management's explanation as to why it believes such alternative treatment is more representative of the true and fair view of the underlying business transaction in the Corporate Governance Report.

3 Monitoring Mechanism for Code

The Board of Directors of the Company shall be responsible for monitoring and implementation of the Code.

Appendix 1 - Whistle Blower Policy

Preface

a) The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Towards this end, the Company has adopted the Code of Conduct ("the Code") as prevalent from time to time, which lays down the principles and standards that should govern the actions of the Company, its Associates and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the Directors, Employees in pointing out such violations of the Code cannot be undermined. There is a provision under the Code requiring employees to report violations, which states:

Clause: 25 Reporting Concerns
"Every employee of company shall promptly report to the management, and / or third party ethics helpline, when she / he becomes aware of any actual or possible violation of the Code or an event of misconduct, act of misdemeanor or act not in the company's interest. Such reporting shall be made available to suppliers and partners, too.

Any employee can choose to make a protected disclosure under the whistle blower policy of the company, providing for reporting to the board of directors or specified authority. Such a protected disclosure shall be forwarded, when there is reasonable evidence to conclude that a violation is possible or has taken place, with a covering letter, which shall bear the identity of the whistle blower.

The company shall ensure protection to the whistle blower and any attempts to intimidate him/her would be treated as a violation of the Code"

b) Section 177 (9) of the Companies Act, 2013 mandates the following classes of companies to constitute a vigil mechanism –

- Every listed company;
- Every other company which accepts deposits from the public;
- Every company which has borrowed money from banks and public financial institutions in excess of Rs. 50 crores.

c) Accordingly, this whistle-blower Policy ("the Policy") has been formulated with a view to provide a mechanism for directors and employees of the Company to approach the audit committee of the Company.

Definitions-

The definitions of some of the key terms used in this Policy are given below. Capitalized terms not defined herein shall have the meaning assigned to them under the Code.

a) "Associates" means and includes vendors, suppliers and others with whom the Company has any financial or commercial dealings.

b) "Employee" means every employee of the Company (whether working in India or abroad), including the directors in the employment of the Company.

c) "Code" means the Code of Conduct designed by the company.

d) "Director" means every Director of the Company, past or present.

e) "Investigators" mean those persons authorized, appointed, consulted or approached by the audit committee and includes the auditors of the Company and the police.

f) "Protected Disclosure" means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.

g) "Subject" means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.

h) "Whistle blower" means an Employee or director making a Protected Disclosure under this Policy.

3. Scope

a) This Policy is an extension of the Code of Conduct. The Whistle-blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.

b) Whistle blower should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the audit committee or the Investigators.

c) Protected Disclosure will be appropriately dealt with by the audit committee.

4. Eligibility

All Employees and directors of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company.

5. Disqualifications

a) While it will be ensured that genuine whistle blower is accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.

b) Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle blower knowing it to be false or bogus or with a mala fide intention.

c) Whistle blower, who make three or more Protected Disclosures, which have been subsequently found to be mala fide, frivolous, baseless, malicious, or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy. In respect of such whistle blower, the Company would reserve its right to take/recommend appropriate disciplinary action.

6. Procedure

a) All Protected Disclosures concerning financial/accounting matters should be addressed to the audit committee of the Company for investigation.

b) The contact details of the audit committee of the Company are as under:
Mr. Om Prakash Balmiki Singh (Chairman of Audit Committee)
Sahyadri Farms Post Harvest Care Limited,
Gat No 314/1, 314/2/1, A/p Mohadi,
Taluka Dindori, District Nashik, Maharashtra 422207

c) If a protected disclosure is received by any executive of the Company, the same should be forwarded to the audit committee for further appropriate action. Appropriate care must be taken to keep the identity of the whistle-blower confidential.

d) Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English, Hindi or in the regional language of the place of employment of the whistle blower.

e) The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the whistle blower. The audit committee, as the case may be shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.

f) Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.

g) The whistle blower must disclose his/her identity in the covering letter forwarding such Protected Disclosure. Anonymous disclosures will not be entertained as it would not be possible to interview the Whistleblowers.

7. Investigation

a) All Protected Disclosures reported under this Policy will be thoroughly investigated by the audit committee who will investigate / oversee the investigations under the authorization of the Board of Directors.

b) The audit committee may at its discretion, consider involving any Investigators for the purpose of investigation.

c) The decision to conduct an investigation taken by the audit committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support conclusion of the whistle blower that an improper or unethical act was committed.

d) The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.

e) Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.

f) Subjects shall have a duty to co-operate with the audit committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.

g) Subjects have a right to consult with a person or persons of their choice, other than the audit committee members / Investigators or the whistle blower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.

h) Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.

i) Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.

j) Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.

k) The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure.

8. Protection

a) No unfair treatment will be meted out to a whistle blower by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistleblowers. Complete protection will, therefore, be given to Whistleblowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistle-blower's right to continue to perform his/her duties/functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the whistle blower may experience as a result of making the Protected Disclosure. Thus, if the whistle blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the whistle blower to receive advice about the procedure, etc.

b) A whistle blower may report any violation of the above clause to the Chairman of the company, who shall investigate into the same and recommend suitable action to the management.

c) The identity of the whistle blower shall be kept confidential to the extent possible and permitted under law. Whistleblowers are cautioned that their identity may become known for reasons outside the control of the audit committee (e.g. during investigations carried out by Investigators).

d) Any other Employee or Director assisting in the said investigation shall also be protected to the same extent as the whistle blower.

9. Investigators

a) Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the audit committee when acting within the course and scope of their investigation.

b) Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.

c) Investigations will be launched only after a preliminary review which establishes that:
I. the alleged act constitutes an improper or unethical activity or conduct, and
II. either the allegation is supported by information specific enough to be investigated, or matters that do not meet this standard may be worthy of management review, but investigation itself should not be undertaken as an investigation of an improper or unethical activity.

10. Decision
If an investigation leads the audit committee to conclude that an improper or unethical act has been committed, the audit committee shall recommend to the management of the Company to take such disciplinary or corrective action as the audit committee deems fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

11. Reporting

The audit committee shall submit a report to the Chairman of the company on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.

12. Retention of documents

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of seven years.

13. Amendment

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever.

Appendix 2 – Policy on Board Diversity

01. Background

The Boardroom is where strategic decisions are made. It is, therefore, imperative that the Board consists of individuals who together offer an optimal mix of skills, experiences and backgrounds. The Boards of Directors of Sahyadri Farms Post Harvest Care Limited ('the Board') acknowledges the importance of diversity in the Boardroom and considers that its diversity, including gender diversity, is a vital asset to the business.

02. Purpose

The Board Diversity Policy ('the Policy') sets out the approach to diversity on the Board of Sahyadri Farms Post Harvest Care Limited.

a. Scope of Application

The Policy applies to the Board. It does not apply to diversity in relation to employees of the Sahyadri Farms Post Harvest Care Limited.

b. Policy Statement

Sahyadri Farms Post Harvest Care Limited recognizes and embraces the benefits of having a diverse Board, and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of the differences in skills, regional and industry experience, background, race, gender and other distinctions between the Directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately.

All Board appointments are made on merit, in the context of the skills, experience, independence and knowledge which are required on the Board for it to be effective.

The Board, while considering a candidate for appointment to the Board, shall ensure diversity of experience, knowledge, perspective, background, gender, age and culture. The Board recognizes that gender diversity is a significant aspect of diversity and acknowledges that women with the right skills and experience are key contributors to diversity of perspective in the Boardroom.

c. Role of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Board ('the Committee') reviews and assesses Board composition on behalf of the Board and lays down the criteria for appointment to the Board and recommends the appointment of new Directors to the Board.

The Committee also oversees the annual evaluation of the Board as per the guidance provided in the Evaluation Policy.

In reviewing Board composition, the Committee will consider the benefits of all aspects of diversity including, but not limited to, those described above, in order to enable it to discharge its duties and responsibilities effectively.

As part of the annual performance evaluation of the Board, Board Committees and individual Directors, the Committee will consider the balance of skill, knowledge, experience, independence, and diversity on the Board, to evaluate the effectiveness of the Board as a whole.

The Nomination Committee is responsible for developing measurable objectives to implement this policy and for monitoring progress towards the achievement of these objectives.

d. Review of the Policy

The Nomination and Remuneration Committee shall periodically review the Policy, which will include an assessment of the effectiveness of the Policy. The Committee will discuss any revisions that may be required and recommend any such revisions to the Board for approval.

Appendix 3 – Letter of Appointment of Independent Directors

[DATE]

Name

Dear ___,

We are pleased to inform you that upon the recommendation of Nomination and Remuneration Committee, approval of the Board of Directors of Sahyadri Farms Post Harvest Care Limited (hereinafter referred to as SFPHCL or the Company) and subject to the approval of Shareholders of the Company at the upcoming Annual General Meeting or Extra-Ordinary General Meeting as the case may be, you are being appointed as an Independent Director on the Board of the Company.

The terms of your appointment shall be as follows:

i. Appointment

1. You have been appointed as a Non-Executive Independent Director on the Board of Directors of SFPHCL with effect from ________ for a period of ……………………..years. The appointment shall be governed by the provisions of the Companies Act, 2013, as amended from time to time. The appointment is also subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013.

2. The term 'Independent Director' should be construed as defined under the Companies Act, 2013.

3. The Company has adopted the provisions with respect to the appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. The disengagement earlier than five years will be in accordance with the provisions of the Companies Act, 2013 or on mutually agreed terms.

4. The provisions contained in the Companies Act, 2013 will apply as regards performance evaluation of Independent Directors is concerned. The performance of Independent Directors shall be evaluated by the entireBoard of Directors, excluding the Director being evaluated. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of your appointment as an Independent Director.

ii. Committees

The Board of Directors (the Board) may, if it deems fit, invite you for being appointed on one or more existing Board Committees or any such Committee that is set up in the future. The appointment on such Committee(s) will be subject to the applicable regulations.

iii. Time Commitment

1. As a Non-Executive Director, it is expected to bring objectivity and independence of viewto 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.

   The Board meets at least four times in a year. The Audit Committee also meets at least once in a year. Besides, there are other Committee meetings like Nomination and Remuneration Committee, Corporate Social Responsibility Committee meetings which are ordinarily convened as and when required. Ordinarily, all meetings are held in Nashik. You will be expected to attend Board, Board Committees of which you are a member or to which you may be appointed and Shareholders meetings and to devote such time to your duties, as appropriate for you to discharge duties effectively.

2. By accepting this appointment, it is confirmed that you are able to allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.

iv. Role and Duties

The role and duties will be those normally required 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 fiduciary in nature and are as under:

I. To act in accordance with the Company's Articles of Association.

II. To act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interest of the Company.

III. To discharge your duties with due and reasonable care, skill and diligence.

IV. To not involve yourself in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company. Please refer to clause 7 for full explanation on conflict of interest.

V. To not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.

VI. To not assign your office as Director and any assignments so made shall be void.

VII. The Non-Executive Independent Directors are also required to abide by the provisions of 'Code for Independent Directors' as provided in Schedule IV of the Companies Act, 2013, a copy of which is annexed for ready reference.

v. Status of Appointment

1. Appointment as an Independent Director shall not refer the status of an employee and this letter shall not constitute a contract of employment. You will be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board and approved by the Shareholders from time to time.

2. The sitting fees, presently paid to the Non-Executive Independent Director is Rs. 50,000/- per meeting of the Board or a Committee or shareholders thereof.

i. Reimbursement of Expenses

In addition to the remuneration described in paragraph 5, the Company will, for the period of your appointment, reimburse you for travel, hotel and other incidental expenses incurred by you in the performance of your role and duties.

ii. Conflict of Interest

1. It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to the appointment commencing, you are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment.

2. In the event that your circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgement that you are independent, this should be disclosed to both the Chairman and the Secretary.

i. Confidentiality

All information acquired during your appointment is confidential to SFPHCL and should not be released, either during your 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

way of sitting fees for meetings of the Board and its Committees as may be decided by the Board and approved by the Shareholders from time to time.

2. The sitting fees, presently paid to the Non-Executive Independent Director is Rs. 50,000/- per meeting of the Board or a Committee or shareholders thereof.

ii. Reimbursement of Expenses

In addition to the remuneration described in paragraph 5, the Company will, for the period of your appointment, reimburse you for travel, hotel and other incidental expenses incurred by you in the performance of your role and duties.

iii. Conflict of Interest

a) It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to the appointment commencing, you are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment.

b) In the event that your circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgement that you are independent, this should be disclosed to both the Chairman and the Secretary.

iv. Confidentiality

All information acquired during your appointment is confidential to SFPHCL and should not be released, either during your 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 regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by SFPHCL.

v. Insurance

SFPHCL has Directors' and Officers' liability insurance and it is intended that SFPHCL will assume andmaintain such cover for the full term of your appointment.

vi. Independent Professional Advice

There may be occasions when you consider that you need professional advice in furtherance of your duties as a Director and it will be appropriate for you to consult independent advisors at the Company's expense. The Company will reimburse the full cost of expenditure incurred in accordance with the Company's policy.

vii. Disclosure of Interest

The Company must include in its Annual Accounts a note of any material interest that a Director may have in any transaction or arrangement that the Company has entered into. Such interest should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record your interest appropriately and our records are updated. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.

viii. Resignation & Termination of the Agreement

a. Resignation from the position at any time can be given and should you wish to do so, it is requested to serve a reasonable written notice to the Board.

b. Continuation of your appointment is contingent on your getting elected or re-elected by the shareholders in accordance with provisions of Companies Act, 2013 and the Articles of Association of the Company, from time to time in force. You will not be entitled to compensation if the shareholders do not re-elect you at any time.

c. Your appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

i. Governing Law

This agreement is governed by and will be interpreted in accordance with Indian law and your engagement shall be subject to the jurisdiction of the Indian courts.

If you are willing to accept these terms of appointment relating to your appointment as a non-executive Independent Director of Sahyadri Farms, kindly confirm your acceptance of these terms by signing and returning to us the enclosed copy of this letter.

For any questions or clarifications with respect to terms of appointment contained herein, please contact Company Secretary.

Yours sincerely

Chairman
For and on behalf of Sahyadri Farms Post Harvest Care Limited

I hereby acknowledge receipt of and accept the terms set out in this letter.

Signed ……………………………..
Dated ………………………………

LIST OF INITIAL DISCLOSURES

Form No.	PARTICULARS
Form I	Confirmation to the Code of Conduct of the Company
Form II	Disclosure of Interest u/s 184(1) of the Companies Act, 2013
Form III	Details of Membership/Chairmanship of Committees
Form IV	Declaration under Section 164 of the Companies Act, 2013 (Form DIR-8)
Form V	Certificate regarding independence in accordance with Section 149(6) of the Companies Act, 2013

Appendix 4: Terms of reference: Audit Committee

1. CONSTITUTION

1.1. The Audit Committee assists the Board in fulfilling its oversight responsibilities in respectof:
- the integrity of financial statements;
- internal control arrangements;
- the performance, qualifications and independence of the external auditors; and
- the performance of the internal audit function.

1.2. The Committee is directly responsible, regarding shareholder approval, for the nomination, compensation and oversight of the statutory auditors.

2. MEMBERSHIP

2.1. The members of the Committee are appointed by the Board from time to time;

2.2. The Committee comprises a minimum of three Directors, all of them shall be Independent Directors;

2.3. The Company Secretary acts as the secretary to the Committee.

3. MEETINGS

3.1. The Committee meets at least once in a financial year and the Committee has an authority to convene additional meetings, as may be required;

3.2. Meetings are convened by written notice or through electronic means served on each of the members of the Committee at least fifteen calendar days prior to the meeting;

3.3. Meeting may be called at shorter notice, subject to consent of all the members of the Committee;

3.4. All members of the Committee are expected to attend each meeting;

3.5. The quorum for the meeting shall be, minimum two members of the Committee;

3.6. Meetings of the Committee may be attended by the Chief Executive Officer, Chief Financial Officer, the lead partner of the Statutory Auditors, and other Directors and executives as per the invitation of the Committee;

3.7. All or any members of the Committee may participate in a meeting by video / teleconference. A person so participating is deemed to be present at the meeting;

3.8. A person attending through video conference shall be counted in the quorum for the meeting subject to the provisions of Companies Act, 2013;

3.9. Formal decisions are made by a simple majority vote,

3.10. The Secretary shall be responsible, in conjunction with the Chairman of the Committee, for compiling and circulating the agenda and papers for the meeting.

4. ROLES AND RESPONSIBILITIES

The Roles and Responsibilities of the Committee shall inter-alia include:

4.1. overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;

4.2. reviewing and examination with management the quarterly financial results before submission to the Board;

4.3. reviewing and examination with management the annual financial statements before submission to the Board and the auditors' report thereon; focusing primarily on:
- Any changes in accounting policies and practices:
- Major accounting entries based on exercise of judgment by management:
- Qualifications in draft audit report;
- Significant adjustments arising out of audit;
- The going concern assumption;

- Compliance with accounting standards;
- Compliance with regulatory authorities and legal requirements concerning financial statements;
- Any related party transactions;
- Matters required to be included in the Directors' Responsibility Statement to be included in the Board Report in terms of Companies Act, 2013;

4.4. review management discussion and analysis of financial condition and results of operations;

4.5. scrutiny of inter-corporate loans and investments made by the Company;

4.6. reviewing with management the annual financial statements of unlisted subsidiary companies;

4.7. reviewing, approving or subsequently modifying any related party transactions in accordance with the Related Party Transaction Policy of the Company;

4.8. approving the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;

4.9. recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services;

4.10. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

4.11. reviewing management letters / letters of internal control weakness issued by the statutory auditors;

4.12. discussing with statutory auditors, before the audit commences, on the nature and scope of audit as well as having post-audit discussion to ascertain area of concern, if any;

4.13. reviewing with management performance of statutory auditors and internal auditor, the adequacy of internal control systems;

4.14. recommending appointment, remuneration and terms of appointment of internal auditor of the Company;

4.15. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

4.16. evaluating internal financial controls and risk management systems;

4.17. valuating undertaking or assets of the Company, wherever it is necessary;

4.18. monitoring the end use of funds raised through public offers and related matters, if any;

4.19. reviewing the functioning of the Whistle Blowing mechanism;

4.20. examining reasons for substantial default in the payment to members (in case of non-payment of declared dividends) and creditors, if any;

4.21. Any other matter as may be prescribed.

5. REPORTING AND EVALUATION

5.1. The Committee reports to the Board of Directors;

5.2. The Company Secretary shall prepare minutes of all meetings of the Committee;

5.3. The Committee shall periodically review and assess the adequacy of its Terms of Reference, and confirm that all the responsibilities set out in Terms of Reference have been carried out;

5.4. The Committee shall conduct an annual performance evaluation of its own performance and see that the Committee is functioning in accordance with its Terms of Reference.

6. ANNUAL GENERAL MEETING

6.1. The Chairperson of the Audit Committee or a member authorized by him/her attends the Annual General Meetings of the Company and is available to answer any questions referred to him/her.

Appendix 5: Terms of reference: Nomination and Remuneration Committee

1. CONSTITUTION

1.1. The Nomination and Remuneration Committee is concerned with:

- recommending candidates for appointment as Directors on the in accordance with the criteria laid down;
- the level and structure of remuneration for members of the Board;
- performance evaluation of each of the Directors and the Board; and
- ensuring orderly succession planning at the Board level;

2. MEMBERSHIP

2.1. The members of the Committee are appointed by the Board;

2.2. Majority of the members shall be Independent Directors;

2.3. The Company Secretary acts as the Secretary to the Committee.

3. MEETINGS

3.1. The Committee meets as and when required and has an authority to convene additional meetings, as may be required;

3.2. Meetings are convened by written notice on each of the members of the Committee atleast fifteen calendar days prior to the meeting;

3.3. All members of the Committee are expected to attend each meeting;

3.4. The quorum for the meeting shall be, minimum two members of the Committee;

3.5. All or any members of the Committee may participate in a meeting by video / teleconference. A person so participating is deemed to be present at the meeting;

3.6. A person attending through video conference shall be counted in quorum for the meeting;

3.7. The Committee may invite members of the Management, consultants or other external experts, if required;

3.8. Formal decisions are made by a simple majority vote; and

3.9. The Secretary to the Committee shall be responsible, in conjunction with the Chairman of the Committee, for compiling and circulating the agenda and papers for the meeting.

4. ROLES AND RESPONSIBILITIES

The Roles and Responsibilities of the Committee shall inter-alia include:

4.1. To identify persons who are qualified to become directors, Key Management Persons and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every director’s performance;

4.2. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, Key Management Persons and other employees;

4.3. To ensure while formulating the policy the following:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

- Remuneration to directors, Key Management Persons and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals;

4.4. To review and recommend, if appropriate, directors who are retiring by rotation to be put forward for re-election at the Company's annual general meeting;

4.5. Succession plan for Directors, Senior Management and key position employees to be adopted, implemented and reviewed from time to time;

4.6. To formulate one or more scheme(s) for granting of Stock Options to Employees and Directors of the Company as well as its holding company / subsidiaries, from time to time, subject to the approval of the Shareholders of the Company and within the provisions of the Companies Act, 2013 and other statutes, regulations and guidelines as may be applicable from time to time. The Committee shall have full authority, with power to delegate, with respect to the administration of such stock option plans;

4.7. Formulation of criteria for evaluation of performance of Independent Directors and the board of directors;

4.8. To recommend to the Board all remuneration payable to Senior Management Personnel.

Appendix 6: Terms of reference: Corporate Social Responsibility Committee

1. COMPOSITION

1.1. The Committee assists Board in fulfilling its oversight responsibilities in respect of:

- formulating and recommending to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company;
- recommending the amount of expenditure to be incurred on the activities referred;
- monitoring the Corporate Social Responsibility (CSR) Policy of the Company from time to time.

2. MEMBERSHIP

2.1. The members of the Committee are appointed by the Board and one Independent Director shall be appointed as member of the committee;

2.2. The Company Secretary acts as the Secretary to the Committee.

3. MEETINGS

3.1. The Committee meets at least once in a year and has an authority to convene additional meetings, as may be required;

3.2. Meetings are convened by written notice served on each of the members of the Committeeprior to the meeting;

3.3. All members of the Committee are expected to attend each meeting;

3.4. The quorum for the meeting shall be, minimum of two members;

3.5. All or any members of the Committee may participate in a meeting by video / teleconference. A person so participating is deemed to be present at the meeting;

3.6. A person attending through video conference shall be counted in quorum for the meeting;

3.7. The Committee may invite consultants and other external experts, if required;

3.8. Formal decisions are made by a simple majority vote; and

3.9. The Secretary to the Committee shall be responsible for compiling and circulating the agenda and papers for the meeting.

4. ROLES AND RESPONSIBILITIES

The Roles and Responsibilities of the Committee shall inter-alia include:

4.1. Formulating and recommending to the Board the CSR Policy and activities to be undertaken by the Company;

4.2. Recommending the amount of expenditure to be incurred on CSR activities of the Company;

4.3. Reviewing the performance of the Company in area of CSR;

4.4. Providing external and independent oversight and guidance on the environmental and social impact of how the Company conducts its business;

4.5. Monitoring CSR Policy of the Company from time to time;

4.6. Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company; and
4.7. Any other matter as may be prescribed.

5. REPORTING AND PERFORMANCE EVALUATION

5.1. The Committee reports to the Board of Directors;
5.2. The Company Secretary shall prepare minutes of all meetings of the Committee;
5.3. The Committee shall periodically review and assess the adequacy of its Terms of Reference, and confirm that all the responsibilities set out in Terms of Reference have been carried out; and
5.4. The Committee shall conduct an annual performance evaluation of its own performance and see that the Committee is functioning in accordance with its Terms of Reference.

Appendix 7 – Investor Protection Matters

The following actions of the Company shall require the consent of the Consortium.

1. Any related party transactions, agreements or arrangements between the Company, the HoldCo, the Subsidiaries, the members of Promoter Group or their Affiliates, the executive officers, and any transaction, agreement or arrangement between the Company, and any entity or firm, in which the HoldCo or the members of Promoter Group or any of their Affiliates has a financial interest which is not in accordance with the related party transaction policy adopted by the Board with the consent of the Investors. Any modifications or alterations or termination of any of these agreements including the existing agreements or arrangements with Related Parties or Affiliates which is not in accordance with the related party transaction policy adopted by the Board with the consent of the Investors.

2. Any amendment, modification or waiver of any provisions of the Articles or Memorandum of the Company, which affects the rights of the Investor as envisaged under the Transaction Documents.

3. Any commencement of a voluntary winding up / insolvency proceedings by the Company and/or its Subsidiaries.

4. Filing for bankruptcy, insolvency, receivership, "sick company" or similar protection from creditors in respect of the Company.

5. Change the Business of the Company and/or its Subsidiaries or principles of business, enter into new lines of business or exit the current line of Business.

6. Any change in the terms of Securities held by the Investors.

7. Authorize or undertake any trade sale except in case of Ordinary Course of Business. However, the same shall only be applicable wherein there are issues highlighted basis KYC or anti-money laundering standard practices.

8. Change in any shareholding pattern of the HoldCo by more than 5% (Five Percent) of its current shareholding other than as set out in Clause 6.2 of SHA.

9. The creation of any new Subsidiary, whether by formation, acquisition or otherwise or the disposition, merger of any such Subsidiary.

10. Acquisition, merger, joint venture, sale or amalgamation of the Company and/or its Subsidiaries with any other company or legal entity, whether in India or worldwide.

11. Any declaration of dividend, including interim dividend by the Company and/or its Subsidiaries.

12. Authorizing the fresh issue of Equity Shares, Dilutive Instruments and/or any change in capital structure of the Company and/or its Subsidiaries.

13. Create or authorize the creation of or issue any other Securities convertible into or exercisable for any Equity Share, having rights, preferences or privileges senior to or on parity with the Investor as stated in the Transaction Documents.

14. Reduction or buy-back of outstanding Equity Shares.

15. The Appointment or replacement of the statutory auditors of the Company and/or its Subsidiaries.

16. Increase the number of shares authorized for issuance under any existing stock or option plan or creating any new stock or option plan or issuance of options under ESOP Plan.

17. Increase or reduce the size or modify the composition of the Board.

18. Acquisition, leasing or any form of transactions in real estate/property/property development that are not in the Ordinary Course of Business of the Company and/or its Subsidiaries.

19. Changes to the policies of one of the Series A2 Investors (such as ESG policies, AML/CFT policies and the other Series A2 Investor Policies) or policies of one of the Series A1 Investors as applicable to the Company under the Agreement.

20. Actions that will result in a material deviation from and/or incompliance with the Company's E&S Management System, the Environmental and Social Requirements, or the FMO Exclusion List or Proparco Exclusion List.

Appendix 8 – Board Majority Matters

The following actions of the Company shall require the consent of majority of Board of Directors -

1. Changes in the accounting standards, policies or principles of the Company and/or its Subsidiaries.

2. Recommendations to the general meeting, on the amount of the dividends to be declared.

3. Appointment and removal of Chief Executive Officer/Chief Financial Officer or any senior managers or officers of the Company having a remuneration and cost-to-company in excess of an amount of INR 48,00,000/- (Indian Rupees Forty-Eight Lakhs only) per year.

4. The Company obtaining loans or guarantee exceeding INR 10,00,00,000/- (Indian Rupees Ten Crores only) or issuing debt securities of a value exceeding INR 10,00,00,000/- (Indian Rupees Ten Crores only) under a single guarantee/loan/debt transaction. However, this excludes working capital loan which shall be as per the same or better terms as approved in the Board as per Annual Business Plan.

5. Entering into a contract or making any investments, other than investments in money market mutual funds, fixed deposits, government bonds and certificates, exceeding INR 10,00,00,000/- (Indian Rupees Ten Crores only) under a single contract and for each investment and for each investment excluding the investment plan already shared with Investors for INR 150,00,00,000/- (Indian Rupees One Hundred and Fifty Crores Only) in Sahyadri Farms Supply Chain Limited.

6. Sale or Encumbrance of material assets, including for working capital needs, improvements and expansion.

7. Acquisition, merger, joint venture, sale or amalgamation of the Company and/or its Subsidiaries with any other company or legal entity, whether in India or worldwide.

8. Approval of the annual budget of the Company or any amendments in the same including capex or opex cost overruns.

9. Adoption, modification and/or amendments of a related party transaction policy of the Company.

10. Any investments for an amount more than INR 1,00,00,000/- (Indian Rupees One Crore only).

* Corporate Governance Code is approved by the Board of Directors in its meeting held on January 24, 2024