



KUNDAN  
MINERALS & METALS

## **Terms and Conditions of Appointment of Independent Directors**

a) Term of Appointment:

The terms and conditions of appointment of the Independent Directors of KUNDAN MINERALS AND METALS LIMITED. (“KMM” or “the Company”) are subject to the extant provisions of the (i) applicable laws, including the Companies Act, 2013 (‘2013 Act’) and Regulation 17 of the Listing Regulation (as amended from time to time) and (ii) Articles of Association of the Company. The reappointment for the Second Term is subject to passing of a special resolution by the Shareholders of the Company.

The Board of Directors may invite an Independent Director for being appointed to one or more of its existing Committees or any such Committee that is set up in the future. The appointment of an Independent Director on any Board Committee will be subject to applicable regulations in that behalf.

b) Expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks:

As an independent Director, the Board expects the person to abide by the Code for Independent Directors as provided under Schedule IV to the Companies Act, 2013 during his/ her tenure as an Independent Director on the Board of Directors of the Company. A copy of the Code is annexed herewith.

The Code under Schedule IV is a guide to professional conduct for independent directors, adherence whereof by independent directors and fulfilment of their responsibilities in a professional and faithful manner is aimed at promoting confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

**KUNDAN MINERALS AND METALS LIMITED**  
(Formerly Known as Eastern Sugar & Industries Limited)

Email : [info@kundanmineralsandmetals.com](mailto:info@kundanmineralsandmetals.com) CIN: L24205BR1964PLC006630

**Regd. Off:** PO. Hanuman Sugar Mills, Motihari, P.S.-Motihari, East Champaran, Bihar-845401

**Corp. Off.:** Flat No 4, 2<sup>nd</sup> Floor 3, Scindia House Connaught Place, New Delhi-110001



KUNDAN  
MINERALS & METALS

All Independent Directors are advised to read the Roles and Functions as well as the Duties of the Independent Directors as given in the above said Schedule IV to the Companies Act, 2013 including the Duties u/s 166 and the Disclosure of Interest by director as required u/s 184 of the Companies Act, 2013 and follow the same during their tenure as an independent director on the Board of Directors of the Company.

In terms of Section 149(12) of the Companies Act, 2013, an Independent Director will be held liable only in respect of such omission or commission which has occurred with his/ her knowledge, attributable through Board processes, or with his/ her consent or connivance or where he/ she has not acted diligently.

- c) Fiduciary duties that come with such an appointment along with accompanying liabilities: Directors being trustees of all the stakeholders of the Company own fiduciary duties towards them and are accordingly expected to:
- act in good faith and candour in the best interests of the Company
  - not exploit the position of power for personal gain or advantage
  - avoid conflict of interest
  - carry out their role prudently and
  - not to act contrary to the interests of the Company
- d) Code of Business Ethics that the company expects its directors and employees to follow: The Company is committed to conduct its business in accordance with the applicable laws, rules and regulations and with the highest standards of business ethics. To this end, the Board has adopted a Code of Ethics for its Members, the Senior Management Personnel and also for all other employees of the Company. The Code is available on the website of the Company [www.kundanmineralsandmetals.com](http://www.kundanmineralsandmetals.com).

## **KUNDAN MINERALS AND METALS LIMITED** (Formely Known as Eastern Sugar & Industries Limited)

Email : [info@kundanmineralsandmetals.com](mailto:info@kundanmineralsandmetals.com) CIN: L24205BR1964PLC006630

**Regd. Off:** PO. Hanuman Sugar Mills, Motihari, P.S.-Motihari, East Champaran, Bihar-845401

**Corp. Off.:** Flat No 4, 2<sup>nd</sup> Floor 3, Scindia House Connaught Place, New Delhi-110001



KUNDAN  
MINERALS & METALS

Company's Code of Ethics is intended to provide guidance and help in recognizing and dealing with ethical issues, mechanisms to report unethical conduct, and to help foster a culture of honesty and accountability.

- e) List of actions that a director should not do while functioning as such in the company: Appointment as an Independent Director is governed by/ attracts adherence to the following:
- Chapter XI of the Companies Act, 2013 on Appointment and Qualification of Directors.
  - Code for independent director as prescribed in schedule IV read with Section 149(8) of the Companies Act, 2013.
  - Duties of directors as provided in Section 166 and disclosure of interest by directors under Section 184 of the Act.
  - Responsibilities as outlined in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - Company's Memorandum and Articles of Association.
  - Company Policy on Prohibition of Insider Trading.
  - Company's Code of Ethics.

All Independent Directors are requested to follow the above said and not do anything contrary to it.

- f) Remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any:

As Independent Directors, they shall be paid sitting fees for attending the meetings of the Board and the Committees of which they are members. The sitting fees for attending each meeting of the Board and its Committees would be as determined by the Board from time to time.

**KUNDAN MINERALS AND METALS LIMITED**  
(Formerly Known as Eastern Sugar & Industries Limited)

Email : [info@kundanmineralsandmetals.com](mailto:info@kundanmineralsandmetals.com) CIN: L24205BR1964PLC006630

**Regd. Off:** PO. Hanuman Sugar Mills, Motihari, P.S.-Motihari, East Champaran, Bihar-845401

**Corp. Off.:** Flat No 4, 2<sup>nd</sup> Floor 3, Scindia House Connaught Place, New Delhi-110001



KUNDAN  
MINERALS & METALS

In addition to the sitting fees, commission that may be determined by the Board may also be payable to them. In determining the amount of this commission, the Board supported by the Nomination and Remuneration Committee may consider performance of the Company and their performance as evaluated by the Board.

Further, the Company may pay or reimburse to the Director such expenditure, as may have been incurred by them while performing their role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by them for accommodation, travel and any out of pocket expenses for attending Board/ Committee meetings, General Meetings, court convened meetings, meetings with shareholders/creditors/management, site visits, induction and training (organized by the Company for Directors) and in obtaining, subject to the expense being reasonable, professional advice from independent advisors in the furtherance of their duties as Independent Directors.

g) Confidentiality

All information acquired during one's appointment as an Independent Director is confidential and should not be released, either during his/ her tenure as an Independent Director or thereafter, to third parties unless required by law or by the rules of any stock exchange or regulatory body.

**KUNDAN MINERALS AND METALS LIMITED**  
(Formerly Known as Eastern Sugar & Industries Limited)

Email : [info@kundanmineralsandmetals.com](mailto:info@kundanmineralsandmetals.com) CIN: L24205BR1964PLC006630

**Regd. Off:** PO. Hanuman Sugar Mills, Motihari, P.S.-Motihari, East Champaran, Bihar-845401

**Corp. Off.:** Flat No 4, 2<sup>nd</sup> Floor 3, Scindia House Connaught Place, New Delhi-110001



KUNDAN  
MINERALS & METALS

**ANNEXURE TO LETTER OF APPOINTMENT**

**SCHEDULE IV**

**[See section 149(8) of the Companies Act, 2013]**

**CODE FOR INDEPENDENT DIRECTORS**

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

I. Guidelines of professional conduct:

An independent director shall:

- 1) uphold ethical standards of integrity and probity;
- 2) act objectively and constructively while exercising his duties;
- 3) exercise his responsibilities in a bona fide manner in the interest of the company;
- 4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- 5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- 6) not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- 7) refrain from any action that would lead to loss of his independence;

**KUNDAN MINERALS AND METALS LIMITED**  
(Formerly Known as Eastern Sugar & Industries Limited)

Email : [info@kundanmineralsandmetals.com](mailto:info@kundanmineralsandmetals.com) CIN: L24205BR1964PLC006630

Regd. Off: PO. Hanuman Sugar Mills, Motihari, P.S.-Motihari, East Champaran, Bihar-845401

Corp. Off.: Flat No 4, 2<sup>nd</sup> Floor 3, Scindia House Connaught Place, New Delhi-110001



- 8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- 9) assist the company in implementing the best corporate governance practices.

## **II. Role and functions:**

The independent directors shall:

- 1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- 2) bring an objective view in the evaluation of the performance of board and management;
- 3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- 4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- 5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- 6) balance the conflicting interest of the stakeholders;
- 7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- 8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

## **KUNDAN MINERALS AND METALS LIMITED** (Formerly Known as Eastern Sugar & Industries Limited)

Email : [info@kundanmineralsandmetals.com](mailto:info@kundanmineralsandmetals.com) CIN: L24205BR1964PLC006630

**Regd. Off:** PO. Hanuman Sugar Mills, Motihari, P.S.-Motihari, East Champaran, Bihar-845401

**Corp. Off.:** Flat No 4, 2<sup>nd</sup> Floor 3, Scindia House Connaught Place, New Delhi-110001



KUNDAN  
MINERALS & METALS

### III. Duties:

The independent directors shall—

- 1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- 2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- 3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- 4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- 5) strive to attend the general meetings of the company;
- 6) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- 7) keep themselves well informed about the company and the external environment in which it operates;
- 8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;

**KUNDAN MINERALS AND METALS LIMITED**  
(Formerly Known as Eastern Sugar & Industries Limited)

Email : [info@kundanmineralsandmetals.com](mailto:info@kundanmineralsandmetals.com) CIN: L24205BR1964PLC006630

**Regd. Off:** PO. Hanuman Sugar Mills, Motihari, P.S.-Motihari, East Champaran, Bihar-845401

**Corp. Off.:** Flat No 4, 2<sup>nd</sup> Floor 3, Scindia House Connaught Place, New Delhi-110001





KUNDAN  
MINERALS & METALS

- 10) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- 11) report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- 12) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- 13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

**IV. Manner of appointment:**

- 1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- 2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- 3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
- 4) The appointment of independent directors shall be formalised through a letter of appointment, which shall set out:

**KUNDAN MINERALS AND METALS LIMITED**  
(Formerly Known as Eastern Sugar & Industries Limited)

Email : [info@kundanmineralsandmetals.com](mailto:info@kundanmineralsandmetals.com) CIN: L24205BR1964PLC006630

**Regd. Off:** PO. Hanuman Sugar Mills, Motihari, P.S.-Motihari, East Champaran, Bihar-845401

**Corp. Off.:** Flat No 4, 2<sup>nd</sup> Floor 3, Scindia House Connaught Place, New Delhi-110001





KUNDAN  
MINERALS & METALS

- a) the term of appointment;
- b) the expectation of the Board from the appointed director; the Board- level committee(s) in which the director is expected to serve and its tasks;
- c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
- d) the Code of Business Ethics that the company expects its directors and employees to follow;
- e) the list of actions that a director should not do while functioning as such in the company; and
- f) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.

**V. Re-appointment:**

The re-appointment of independent director shall be on the basis of report of performance evaluation.

**VI. Resignation or removal:**

- 1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- 2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within the timeline prescribed under Companies Act, 2013 and SEBI (LODR) Regulations 2015.
- 3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

**KUNDAN MINERALS AND METALS LIMITED**  
(Formerly Known as Eastern Sugar & Industries Limited)

Email : [info@kundanmineralsandmetals.com](mailto:info@kundanmineralsandmetals.com) CIN: L24205BR1964PLC006630

**Regd. Off:** PO. Hanuman Sugar Mills, Motihari, P.S.-Motihari, East Champaran, Bihar-845401

**Corp. Off.:** Flat No 4, 2<sup>nd</sup> Floor 3, Scindia House Connaught Place, New Delhi-110001



**KUNDAN**  
MINERALS & METALS

**VII. Separate meetings:**

- 1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
- 2) All the independent directors of the company shall strive to be present at such meeting;
- 3) The meeting shall:
  - a) review the performance of non-independent directors and the Board as a whole;
  - b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
  - c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**VIII. Evaluation mechanism:**

- 1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- 2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

**KUNDAN MINERALS AND METALS LIMITED**  
(Formerly Known as Eastern Sugar & Industries Limited)

Email : [info@kundanmineralsandmetals.com](mailto:info@kundanmineralsandmetals.com) CIN: L24205BR1964PLC006630

**Regd. Off:** PO. Hanuman Sugar Mills, Motihari, P.S.-Motihari, East Champaran, Bihar-845401

**Corp. Off.:** Flat No 4, 2<sup>nd</sup> Floor 3, Scindia House Connaught Place, New Delhi-110001