

Terms and Conditions of appointment of Independent Directors of the Company in accordance with the requirements of Schedule IV to the Companies Act,2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations,2015;

Terms and Conditions of appointment of Independent Directors:

I. Term:

Mr. Shantilal Haria has been appointed as an Independent Director of the Company for a second term of 5 (five) consecutive years by the members at their Annual General Meeting held on July 06, 2021. The appointment is for term commenced from July 06, 2021 to July 05, 2026.

Ms. Shivani Soni has been appointed as an Independent Director of the Company for the first term of 4 (four) consecutive years by the members at their Annual General Meeting held on July 06, 2021. The appointment is for term commenced from July 06, 2021 to July 05, 2025.

Mrs. Urmi Shah has been appointed as an Independent Director of the Company for the first term of 4 (four) consecutive years by the members at their Annual General Meeting held on July 06, 2021. The appointment is for term commenced from July 06, 2021 to July 05, 2025.

II. OTHER TERMS OF APPOINTMENT

- The Appointment will be for the period mentioned against their respective names.
- Pursuant to provision of Section 149 and other applicable provisions of the Act and schedule IV thereto the independent director will not be liable to retire by rotation.
- The Independent Directors may be requested to be a member/chairman of any one or more committees of the Board which may be constituted from time to time.
- The Independent Director shall be eligible for re-appointment subject to the recommendation by Nomination and Remuneration Committee and approval of the Board and the Shareholders.

III. ROLES, DUTIES AND RESPONSIBILITY

- The Independent Director will perform his/her fiduciary duties in a responsible manner and his/her general legal responsibilities to the Company will be at par with a nonexecutive director.

- The Independent Directors shall continue to maintain their independence and make requisite disclosure of interest or concern in any Company.
- Independent Director shall not indulge in direct or indirect interest conflicts with the interest of the Company.
- The Independent Director shall hold atleast one meeting in every financial year without the presence of Non-Independent Director.
- The Independent Directors shall be required to undertake and discharge role, functions and duties in accordance with Section 166 and the Code of Independent Directors as prescribed under Schedule IV of the Companies Act, 2013 (copy enclosed at Annexure-1).

IV. REMUNERATION

- The Independent Director shall be paid sitting fees for meetings of the Board and its committee as may be decided by the Board from time to time, subject to limit specified in the Act;
- The Independent Director shall be entitled to reimbursement of expenses incurred in connection with attending the Board Meetings, Committee Meeting and General Meeting;
- Independent Director shall not be entitled to any stock option.

V. LIABILITY

The Independent Director shall be held liable, only in respect of such acts of omission or commission by the Company which had occurred with your knowledge, attributable through Board and Committee processes, and with their consent or connivance or where they had not acted diligently with respect of the provisions contained in the Companies Act, 2013 and the Listing Agreement.

VI. PERFORMANCE EVALUATION

Performance of the Independent Directors as well as the performance of the entire Board and the Committees will be evaluated annually as may be required under the provisions of the law. The appointment and reappointment on the Board shall be subject to the outcome of the yearly evaluation process.

VII. CODE OF CONDUCT

During the appointment, the Independent Director shall comply with the following codes of conduct:

- a. Code of Conduct for Board of Directors;
- b. Code of Conduct for prevention of Insider Trading;
- c. Code for Independent Directors as provided in Schedule IV to the Companies Act, 2013; and such other requirements as the Board of Directors may from time to time specify

VIII. DISCLOSURES

- The Independent Director shall at the first meeting of the Board in which they participates as a Director shall disclose their concern or interest in any Company(ies) or Bodies Corporate, firms or other association of individuals which shall include their shareholding in the format prescribed under the Act;
- The Independent Director shall the first meeting of the Board in every financial year and whenever there is any change in the disclosures already made, then within 30 days of such change, they shall disclose their concern or interest in any Company(ies) or bodies corporate,

firms or other association of individuals which shall include their shareholding, in the prescribed manner under the Act.

- During the term, Independent Director notify the Company, if there, is any change in the circumstances that affect the independence of Independent Director.

IX. TERMINATION

- The Independent Director may resign from the Directorship position at any time by serving a reasonable written notice to the Board of Directors;
- Independent Director may also be terminated in accordance with the provisions of the Act and Articles of Association of the Company from time to time in force.

X. CONFIDENTIALITY

All information in relation to the Company acquired during the appointment and tenure by an independent director is to be treated as confidential and should not be disclosed to third parties without the prior permission of the Chairman & Managing Director unless required by law or by the rules of any stock exchange or regulatory body.

For G.M. Breweries Limited

Chairman

ANNEXURE – I

SCHEDULE IV TO THE COMPANIES ACT, 2013

[See section 149(7)]

A. 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;
- (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.

II. 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;
- (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 behaviour, 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 there under 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 :
 - 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) provision for Directors and Officers (D and O) insurance, if any;
 - e) the Code of Business Ethics that the company expects its directors and employees to follow;
 - f) the list of actions that a director should not do while functioning as such in the company; and
 - g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.

- (5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- (6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

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 a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
- (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.

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

B. DUTIES OF DIRECTORS AS PER SECTION 166 OF COMPANIES ACT,2013

- (1) Subject to the provisions of this Act, a director of a company shall act in accordance with the articles of the company.
- (2) 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.
- (3) A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (4) 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.
- (5) A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his 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.
- (6) A director of a company shall not assign his office and any assignment so made shall be void. (7) If a director of the company contravenes the provisions of this section such director shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.

