



Corporate Governance Code

Hindustan Unilever Limited

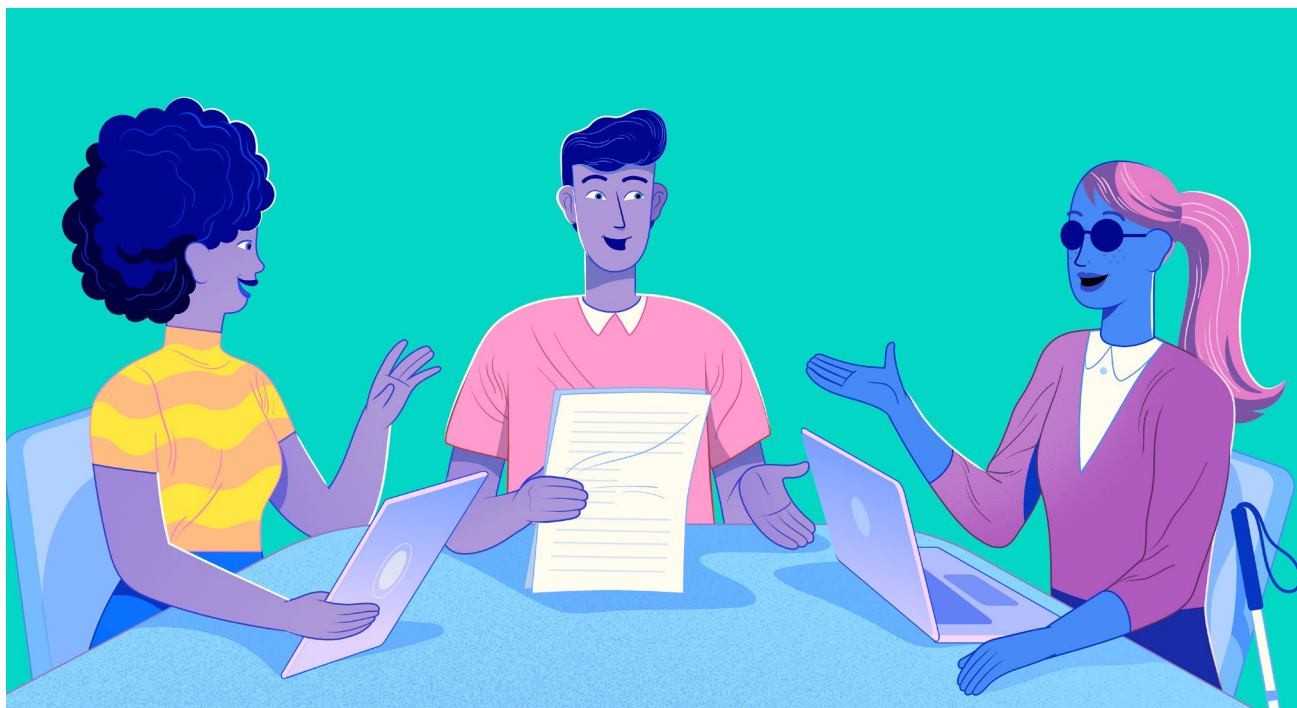


Hindustan Unilever Limited

Corporate Governance Philosophy of HUL

'I believe that nothing can be greater than a business, however small it may be, that is governed by conscience; and that nothing can be meaner or more petty than a business, however large, governed without honesty and without brotherhood.'

– William Hesketh Lever



About the Code

The visionary founders of Unilever had laid the foundation stone of the Company for good governance and made it an integral principle of the business, as demonstrated in the words above. The Corporate Governance practices of Hindustan Unilever Limited are built on this philosophy.

This document describes the Corporate Governance Code ('Code') of Hindustan Unilever Limited. This document lays down the principles governing Board Structure, Board Processes, Board Committees and Terms of References of Statutory and Non-Statutory Committees, Shareholder interface and redressal of their grievances 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 Hindustan Unilever Limited, unless specifically provided otherwise.

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Framework

1. FUNDAMENTALS

1.1. Introduction

With almost 90 years of heritage in India, Hindustan Unilever Limited ('HUL' or 'the Company') is India's largest fast-moving consumer goods Company. On any given day, nine out of ten Indian households use our products, giving us a unique opportunity to build a brighter future. We are known for our great brands, the positive social impact we create and our belief in doing business the right way.

The Company was incorporated as Lever Brothers India Limited in 1933. Subsequently, three entities, Hindustan Vanaspati Manufacturing Company Limited, United Traders Limited and Lever Brothers India Limited continued to operate in India and merged to form a single entity Hindustan Lever Limited (HLL) in 1956. In June 2007, the Company was renamed as Hindustan Unilever Limited.

HUL works to create a better future every day and helps people feel good, look good and get more out of life with brands and services that are good for them and good for others. With 50+ brands spanning categories such as fabric solutions, home and hygiene, life essentials, skin cleansing, skincare, hair care, colour cosmetics, oral care, deodorants, tea, coffee, ice cream & frozen desserts, foods and health food drinks, the Company is a part of the everyday life of millions of consumers across India.

The Company is listed on two Stock Exchanges in India, namely, BSE Limited and National Stock Exchange of India Limited.

1.2. Purpose, Values and Principles

We have a simple but clear purpose: to make sustainable living commonplace. The HUL growth story is intertwined with the India story and our philosophy is 'what is good for India is good for Hindustan Unilever'. Our business has always been driven by a sense of purpose and the belief that business must have purpose beyond profit. We continue to believe that business must make a positive contribution to addressing the challenges the world faces and that this is the only way a business will succeed. Our history is a story of growth powered by ideas and values. Products, brands and profits followed in their wake; and while we will change to meet the challenges of our times, our values will not. The focus of HUL is very much on growth in line with our values, not on growth at any cost.

HUL's brands and reputation are valuable assets and the way in which we operate, contribute to society and engage with the world around us is always under scrutiny. Conducting our operations with integrity and respect for the many people, organisations and environments our business touches, has always been at the heart of our corporate responsibility. Everyone at Unilever is expected to be an ambassador for our high ethical standards – what we call 'Business Integrity'. Each of us at HUL has a key role to play to embed a strong culture of business integrity across all our operations. Our principles and values apply to all our employees through our Code and Code Policies.

Our Corporate Purpose sets out our aspirations in running our business. It is underpinned by our Code of Business Principles. Our Code of Business Principles is a clear ethical compass, which says what is right and what is wrong and also supports our approach to governance and corporate responsibility.

1.3. Corporate Vision

Our vision is to be a leader in sustainable business.

We will demonstrate how our purpose-led, future-fit business model drives superior performance delivering consistent, competitive, and responsible growth. Our deep roots in local cultures and markets around the world give us our strong relationship with consumers and are the foundation for our future growth. We bring our wealth of knowledge and international expertise to the service of local consumers – a truly multi-local multinational. Consumer and Customer Centricity is one of our key beliefs and we endeavor to keep the consumer at the heart of everything we do.

Our long-term success requires a total commitment to exceptional standards of performance and productivity, to working together effectively, and to a willingness to embrace new ideas and learn continuously. To succeed also requires, we believe, the highest standards of corporate behavior towards everyone we work with, the communities we touch, and the environment on which we have an impact.

This is our road to sustainable, profitable growth, creating long-term value for our shareholders, our people, and our business partners.

1.4. 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 Chief Executive Officer and Managing Director.

Subject to the provisions of the Companies Act, 2013, ('the Act') 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 discharge their role as such in accordance with the Act and the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations, 2015') as amended from time to time respectively. The office of the Chairperson at all times will be held in compliance with the Articles of Association of the Company and in accordance with the applicable laws and regulations as provided from time to time.

The Board comprises a mix of Executive and Non-Executive and Independent Directors. The composition of the Board is in accordance with the Act and the Listing Regulations, 2015 as amended from time to time.

1.5. 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 17th October, 1933. The Memorandum of Association and Articles of Association of the Company have been amended, as and when it was necessary, with the approval of shareholders. The Memorandum of Association and Articles of Association of the Company is made available on the website of [HUL – Corporate Governance Section](#).

1.6. Statutory Policies of the Company

1.6.1. Reward Policy

The Reward philosophy of the Company is to provide market competitive total reward opportunity that has a strong linkage to and reinforces the performance culture of the Company. The philosophy is set forth into practice by various policies governing the different elements of total reward. The intent of the policy is to ensure that the principles of Reward philosophy are followed in entirety, thereby facilitating the Company to recruit and retain the best talent. The ultimate objective is to gain competitive advantage by creating a reward proposition that inspires employees to deliver Company's promise to consumers and achieve superior operational results.

The Reward Policy is available at [HUL – Corporate Governance Section](#).

1.6.2 Board Evaluation Policy

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.

The Chairperson in consultation with Chairperson of 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 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 process of evaluation of the Board shall be carried out on an annual basis and this process will be facilitated by an independent consultant as and when deemed appropriate by the Board.

1.6.2.1 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 and such report shall form part of Annual Report of the Company.

1.6.2.2 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

1.6.2.3 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.

1.6.2.4 Executive Directors

The criteria for evaluation of Executive Directors will include the annual performance plan of the concerned Executive Director and delivery against the same, assessment made by the Line Manager in addition to the above criteria laid down for Independent Directors to the extent applicable.

1.6.2.5 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 Policy 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.

1.6.2.6 Timing

The evaluations will be carried out on an annual basis. All evaluations shall be designed to be completed before the meeting of Nomination and Remuneration Committee, to discuss remuneration packages and the nominations of candidates for election as Directors of the Company at the Annual General Meetings in the following year, are held.

1.6.2.7 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 Secretary shall 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 for review / development of the evaluation process.

1.6.2.8 Reporting

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

- a. Observations of board evaluation carried out for the year.
- b. Previous year's observations and actions taken.
- c. Proposed actions based on current year observations.

1.6.3. Director's Induction & Training and Familiarization Programme

Director's Induction & Training - 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 Chief Executive Officer and 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 the Company. The management provides such information and training either at the meeting of Board of Directors or otherwise.

Familiarization Programme - All Directors on their appointment are taken through a detailed induction and familiarisation programme when they join the Board of your Company. The induction programme is an exhaustive one that covers the history, culture and background of the Company and its growth over the last several decades, various milestones in the Company's existence since its incorporation, the present structure and an overview of the businesses and functions..

The Director's Induction & Training and Familiarization Programme is available on the website of the Company at [HUL – Corporate Governance Section](#).

1.6.4. Policy on Related Party Transactions

The Policy on Related Party Transactions is framed in line with the requirements of the Act and Listing Regulations, 2015. This Policy is intended to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. This Policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. The Policy is available at [HUL – Corporate Governance Section](#).

1.6.5. Policy for determining Material Subsidiaries & Governance Framework for all Subsidiaries

This Policy is framed as per the requirements of Listing Regulations, 2015. The objective of this Policy is to lay down criteria for determination of Material Subsidiaries and to formulate a governance framework for all Subsidiaries including Material Subsidiaries of the Company. The Policy is available at [HUL – Corporate Governance Section](#).

1.6.6. Policy on determination of Materiality of Events

The Policy on determination of Materiality of Events is framed under the requirements of Listing Regulations, 2015.

The Policy aims at ensuring that all investors have equal access to important information that may affect their investment decisions and that such information is adequately disseminated in a fair and timely manner in pursuance with the Listing Regulations, 2015 and to provide an overall governance framework for determination of materiality. The Policy is available at [HUL – Corporate Governance Section](#).

1.6.7. Risk Management Policy

Identification and management of risks is fundamental to carry through the Company's strategy and to achieve its long-term goals. The Board of the Company has overall responsibility for the management of risks and for reviewing the effectiveness of the system of internal control and risk management approach. Our approach to risk management is designed to provide reasonable, but not absolute, assurance that our assets are safeguarded, the risks facing the business are being assessed and mitigated and all information that may be required to be disclosed is reported to the Company's Senior Management including, where appropriate, the Chief Executive officer and Managing Director and Chief Financial Officer and the Audit Committee and the Board.

For each of our principal risks, Company has a risk management framework detailing the controls which are in place and who is responsible for managing both the overall risk and the individual controls mitigating that risk. Our assessment of risk considers both short and long-term risks, including how these risks are changing, together with emerging risk areas. These are reviewed on an ongoing basis, and formally by Risk Management Committee and the Board.

The Risk Management Policy is available on the website of the Company at [HUL – Corporate Governance Section](#).

1.6.8. Policy on Preservation and Archival of documents

The objective of the Policy on Preservation and Archival of documents is to protect the Corporate Information and records of the Company which are crucial for the business continuity and have to be preserved and retained as per the governing Policy of the Company. The Policy also aims to disseminate equal, adequate and timely information to the shareholders through the website of the Company and to enable them to track the performance of the Company at regular intervals. The Policy is available at [HUL – Corporate Governance Section](#).

1.6.9. Corporate Social Responsibility Policy

The Corporate Social Responsibility (CSR) Policy of the Company, as recommended by the CSR Committee and approved by the Board of Directors (Board), outlines a clear agenda through which we will continue to contribute to the communities at large. The objective of this Policy sets the direction for the CSR activities of the Company and defines the governance, implementation and monitoring framework for ensuring the effectiveness of the Policy.

Our multi-stakeholder model is being embedded into the business completely, so the business can continue to be a force for good. Our Compass Strategy has a comprehensive and ambitious set of commitments and actions to:

- Improve the health of the planet;
- Improve people's health, confidence and wellbeing; and
- Contribute to a fairer, more socially inclusive world.

The CSR Policy is available on [HUL – Corporate Governance Section](#).

1.6.10. Code of Conduct for Board and Senior Management

The Code of Conduct for Board and Senior Management is a guide to professional conduct for the Directors and adherence to the standards and fulfilment of the responsibilities in professional and faithful manner will promote confidence of the stakeholders. The Code of Conduct is available on [HUL – Corporate Governance Section](#).

1.6.11. Policy on Board Diversity

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 Board of Directors of the Company acknowledges the importance of diversity in the Boardroom and considers that its diversity, including gender diversity, is a vital asset to the business.

The Policy on Diversity of Board of Directors sets out the approach and framework for diversity on the Board of the Company. The Policy is available on [HUL – Corporate Governance Section](#).

1.6.12. Dividend Distribution Policy

The Dividend Distribution Policy is framed in line with the requirements of Listing Regulations, 2015. The objective of this Policy is to provide clarity and transparency to its shareholders on the dividend distribution framework to be adopted by the Company. The Policy reflects the intent of the Company to reward its shareholders by sharing a portion of profits after retaining sufficient funds for the growth of the Company.

The Board shall recommend and declare dividend as the case may be, in compliance with this Policy read with the provisions of the Act and Rules made thereunder and other applicable legal provisions as amended from time to time. This policy is available on the website of the Company at [HUL – Corporate Governance Section](#).

1.6.13. Whistle Blower Policy

The Company has adopted a Whistle Blower Policy and is committed to the highest possible standards of openness, probity and accountability. Directors and Employees are often the first to realise that there may be something not in order requiring redressal by the Company. The purpose of the Whistle Blower Policy is that not only Directors and employees but also any other persons including vendors, contractors, sub-contractors, consultants, trainees, shareholders, former employees or any other third parties will be able to raise concerns regarding any potential violation easily without any fear of retaliation. The Whistle Blower Policy is available on the website of the Company at [HUL – Corporate Governance Section](#).

1.6.14. Environmental, Social and Governance (ESG) Policy

The ESG Policy, as recommended by the ESG Committee and approved by the Board of Directors, is driven by our vision to be a leader in sustainable business. Through the ESG Policy, we aim to - define our position on ESG matters and guide employees on the manner to integrate ESG aspects in their decision-making processes relating to activities of the Company. The diverse policies already in place at the Company to provide necessary guidance to our employees, suppliers, distributors and other third parties who work with us, form a part of the ESG Policy. The ESG Policy is available at [HUL - Corporate Governance Section](#).

1.6.15. Share Dealing Code

The Company has instituted mechanism for Prohibition of Insider Trading and abusive self-dealing. The Share Dealing Code of the Company prohibits the Directors and other specified employees dealing in the securities of the Company on the basis of any Unpublished Price Sensitive Information (UPSI), available to them by virtue of their position in the Company. The objective of the Share Dealing Code is to prevent misuse of any UPSI and prohibit any insider trading activity, in order to protect the interest of the shareholders at large. The Company disseminates the Do's and Don'ts of the Share Dealing Code frequently to generate awareness amongst employees.

The Company has constituted a 'Share Dealing Code Compliance Committee', to decide upon such penal/ disciplinary/ remedial action as may be considered appropriate if any employee violates the provisions of this Code. The Share Dealing Code is available at [HUL – Corporate Governance Section](#).

1.6.16. Code of Business Principles

The Code of Business Principles is the Company's statement of values and represents the standard of conduct which all the employees are expected to observe in their business endeavors. The Code of Business Principles reflects the Company's commitment to principles of integrity, transparency and fairness. It forms the benchmark against which the world at large is invited to judge the Company's activities. The Code of Business Principles is available on the website of the Company at [HUL – Business Integrity Section](#).

The Chief Executive Officer through the Management Committee and Business / Unit Heads is responsible for ensuring that the Code of Business Principles is understood and implemented throughout the Company. The Code of Business Principles is also applicable to everyone with whom the Company engages in a business association be it the Company's distributors, third party manufacturers etc. or others.

2. THE BOARD

2.1. 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 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 and all other stakeholders together with Company's social and legal responsibilities in the communities in which it operates and to the responsibility towards the environment. The Board shall exercise objective and independent judgment and shall be collectively responsible for the long-term success of the Company.

2.2. 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 enable the Board to discharge its responsibilities and provide effective leadership to the business. The composition of the Board shall be such that the members are able to act critically and independently of one another and without any particular interest.

The Board shall ordinarily comprise majority of Non-Executive Independent Directors and at least one Woman Independent Director.

2.3. 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;
- 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; and
- k. 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, the Manager or any other principal officer of the Company or in the case of a Branch office 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.

2.4. Responsibilities of the Board

The responsibilities of the Board of Directors as a whole, flow from the Act, the Memorandum of Association and Articles of Association and the Listing Regulations, 2015. These responsibilities shall inter-alia include:

- a. 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;
- b. Monitoring the effectiveness of the Company's governance practices and making changes as needed;
- c. Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning;
- d. Aligning key executive and Board remuneration with the longer term interests of the Company and its shareholders;
- e. Ensuring a transparent Board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board;
- f. Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions;
- g. 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;
- h. Overseeing the process of disclosure and communications;
- i. Monitoring and reviewing Board Evaluation framework.

2.5. 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:

- a. to act in accordance with the Articles of the Company;
- b. 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 interests of the Company, its employees, the shareholders, the community and for the protection of environment;
- c. to exercise their duties with due and reasonable care, skill and diligence and shall exercise independent judgment;
- d. The Directors shall not involve in a situation in which they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company;
- e. The Directors shall not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners, or associates;
- f. The Directors shall not assign their office;
- g. Any other matter as may be prescribed.

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 and the Articles of Association of the Company, all Directors, except for the Managing Director and the Independent Directors, shall step down at the Annual General Meeting each year and, if eligible, may offer themselves for re-election.

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.

The appointment, re-appointment or removal of an Independent Director, shall be subject to the approval of shareholders by way of a special resolution. 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.

2.6.1. 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

- a. Industry/Finance/Banking professional with commensurate professional qualification and proven track record. Preferably having experience as CEO/COO/CFO or equivalent of a medium to large enterprise with prior Board experience.
- b. Senior retired Government officials / civil servants with proven track record and diverse experience including in the area of finance, public service.
- c. Background in consumer goods industry/ retail industry/ services industry;
- d. Experience in technology / research and development that is relevant for Unilever / distinguished academician in management skills associated with a reputation of global repute;
- e. Understanding of the markets where Unilever is active, in particular the developing and emerging markets;
- f. Executive management experience and knowledge of corporate governance issues at Board level with a company of comparable size or international spread of activities;
- g. Experience with financial administration, accounting policies, internal control and risk management of multinationals.

Desired Personal Attributes

- a. The proposed candidate should not have present or potential conflict of interest while serving on Board of HUL. Non-Executive Independent Director should qualify as Independent, if the incumbent meets the Independence criteria as laid down in the Act and the Listing Regulations, 2015.

- b. 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.
- c. Preferably, the Non-Executive Independent Director to be considered for appointment shall be below the age of 75 years. If the Independent Directors attains the age of 75 years, a special resolution to be passed by the members at the General Meeting. The age criteria for Executive Directors will be in line with the prevailing company policy for full time employees.
- d. The candidate proposed to be appointed on the Board as an Independent Director shall not be a Director of more than six Listed Companies at the time of appointment.
- e. 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 integrity of the person concerned.
- f. 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.

The Company recognises 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. The Board, while considering a candidate for appointment to the Board, shall ensure diversity of experience, knowledge, perspective, background, gender, age and culture. A copy of the Policy on Board Diversity is made available on the website of the Company www.hul.co.in.

2.6.2. 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 of appointment, duties, responsibilities and expected time commitments. Each new appointed Director shall be taken through a formal Induction Program. 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 Act and the Listing Regulations, 2015.

2.7. 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, including an employee who is acting in managerial or supervisory capacity, shall be covered under Directors' and Officers' Liability Insurance policy. The policy shall also cover those who serve as a Director, officer or equivalent of an outside entity at Company's request.

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 minutes of the meetings of all the Committees shall be placed before the Board for noting. The Board has established the following statutory and non-statutory Committees.

3.1. Audit Committee

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal 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 review functioning and cases reported under the Code of Business Principles and Whistle Blower Policy of the Company.

Any changes in the composition of the Audit Committee shall be in line with the Listing Regulations, 2015 as amended from time to time. The terms of reference of the Audit Committee are provided at Appendix 1.

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 members of the Management Committee including 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 or as member of the Management Committee. The Committee shall also be responsible for orderly succession planning of the Board and will be consulted by the Chief Executive Officer and Managing Director on appointments to or removals from the Management Committee. The Committee shall also be responsible for implementation of the Board Evaluation framework.

Any changes in the composition of the Nomination & Remuneration Committee shall be in line with the Listing Regulations, 2015 amended from time to time. The terms of reference of the Nomination and Remuneration Committee are given at Appendix 2.

3.3. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee is entrusted with the responsibility to consider and resolve security holders' concerns or complaints. The Committee shall monitor and review the investor service standards of the Company. The Committee shall also evaluate performance and service standards of the Registrar and Share Transfer Agent of the Company and provide continuous guidance to improve the service levels for investors.

The Committee shall take steps to develop an understanding of the views of shareholders about the Company, either through direct face-to-face contact, analysts' briefings or survey of shareholders. The Committee shall oversee and review the engagement and Communication Plan with shareholders and ensure that the views / concerns of the shareholders are highlighted to the Board at appropriate time and that the steps are taken to address such concerns. Any changes in the composition of the Stakeholders' Relationship Committee shall be in line with the Listing Regulations, 2015 as amended from time to time. The terms of reference of the Stakeholders' Relationship Committee are given at Appendix 3.

3.4. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee shall be responsible for formulation 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.

Any changes in the composition of the Corporate Social Responsibility Committee shall be in line with the Act read with relevant rules as amended from time to time. The terms of reference of the Corporate Social Responsibility Committee are given at Appendix 4.

3.5. Risk Management Committee

The Risk Management Committee shall be responsible for framing, monitoring, reviewing the risk management plan and implementation of the risk management framework of the Company including 'Cyber Security'.

Any changes in the composition of the Risk Management Committee shall be in line with the Listing Regulations, 2015 as amended from time to time. The terms of reference of the Risk Management Committee are given at Appendix 5.

3.6. Environmental, Social and Governance Committee

The Environmental, Social and Governance (ESG) Committee shall be responsible for overseeing the vision and focus on the Company's strategy relating to ESG and sustainability matters. The Committee shall also monitor the progress against the stated vision and review the practices, initiatives & goals of the Company relating to ESG, and ensure that they remain effective.

The terms of reference of the ESG Committee are given at Appendix 6.

3.7. Share Transfer / Transmission Committee

The Share Transfer / Transmission Committee has been formed exclusively to look into share transfer and related applications received from shareholders, with a view to accelerate the transfer procedures. The terms of reference of the Share Transfer / Transmission Committee Corporate Social Responsibility Committee are given at Appendix 7.

3.8. Committee for Allotment of Shares under ESOPs

The Committee for Allotment of Shares under ESOPs has been constituted to expedite the process of allotment and issue of shares to eligible employees under the Stock Option Plan of the Company, as approved by the Shareholders. The Committee shall be in charge for approval, issue and for Allotment of Shares under ESOPs. The terms of reference of the Committee for Allotment of Shares under ESOPs are given at Appendix 8.

3.9. Administrative Matters Committee

The Administrative Matters Committee has been set up to oversee routine items that are in the normal course of the business, such as decision on banking facilities, delegation of operational powers, considering and approving agreements to be executed in the normal course of business, etc. The terms of reference of the Administrative Matters Committee are given at Appendix 9.

3.10. Committee for Approving Disposal of Surplus Assets

The Committee for approving Disposal of Surplus Assets has been constituted for identifying the surplus assets of the Company and to authorise sale and disposal of such surplus property. The Committee is fully authorised to take necessary steps to give effect to sale and transfer of the ownership rights, interest and title in the said property, on behalf of the Company. The terms of reference of the Committee for Approving Disposal of Surplus Assets are given at Appendix 10.

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 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 five Board meetings in a calendar year including quarterly meetings to consider the financial results of the Company and at least one strategy meeting. 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 at least seven clear 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 Mumbai. However, the Company may organise any meeting outside of Mumbai 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 two Independent Directors are present in all the Board meetings.

4.1.1. 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.

4.2. Agenda

The agenda of Board meetings shall be set by the Company Secretary in consultation with the Chairperson and the Chief Executive Officer and Managing Director. The Company Secretary may also consult the Independent Directors at appropriate occasions. The Agenda shall be circulated at least seven clear days prior to the date of the meeting to facilitate the Directors to provide their inputs, thoughts and suggestion at the meeting. 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.

Any supplementary item, not originally included in the Agenda, may be taken up for consideration at the meeting with the permission of the Chairperson and with the consent of the majority of the Directors present in the Meeting. However, no supplementary item which is of significance or is in the nature of unpublished price sensitive information should be taken up by the Board without prior written Notice. Apart from the items that will be discussed in the Board Meeting, the Company Secretary shall ensure that regular communications are sent to all Non-Executive and Independent Directors for updating them on key business related issues / developments.

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. In case of equal number of votes in favor of the resolution as well as against, the Chairperson of the Company may exercise his 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 and the Management Committee. 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 one of the Independent Directors shall assume the position of Chairperson of the meeting.

The members of the Board and Management Committee shall on an annual basis 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.

The proposal for appointment of any Executive Director or the Management Committee members of the Company to serve as a Director, Trustees or equivalent of such position on outside Board, whether for commercial ventures or for non-profit making bodies should be subject to prior internal approvals. The Executive Directors of the Company shall not be allowed to serve as a Non-Executive or an Independent Director on the Board of more than one Company, other than those companies where they are representing the interest of HUL or Unilever.

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. The draft minutes of the Board and Committee meeting shall be circulated to the Board not later than fifteen days of the meeting and 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 within seven days of circulation and the same shall be incorporated in the minutes of the meeting.

The minutes of meetings of the Board or Board Committees shall be circulated to the Board or Board Committees, respectively, along with the Agenda of the next meeting. Any alteration in the minutes shall be made only after obtaining express approval in the subsequent meeting in which such minutes are sought to be altered. Dissent or concern, if any, as expressed by any member of the Board, shall be recorded in the minutes.

4.7. Delegation of Powers

The Board has delegated certain powers, authorities and discretions (including the power to sub-delegate) to the Chief Executive Officer and Managing Director and the members of the Management Committee and to the Board's Committees. The Board supervises the execution of its responsibilities by the Chief Executive Officer and Managing Director, members of Management Committees 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. The Managing Director of the Company is appointed for a term of five years as per the requirement of the Act.

As regards the appointment and tenure of Independent Directors, following is the policy adopted by the Board:

- The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Act and Listing Regulations, 2015..
- In keeping with progressive governance practices, your Company shall, for the purpose of determining the composition of the Board, treat all Independent Directors who are henceforth appointed from the Financial Year 2022-23 and, thereafter, and who complete ten years on the Board, as Non-Independent.

In accordance with the Articles of Association of the Company and provisions of the Act, all Directors, except the Managing Director and Independent Directors of the Company, are liable to retire by rotation at the Annual General Meeting each year and, if eligible, offer themselves for re-election.

5.2. Remuneration

The Independent Directors are paid sitting fees for attending every meeting of the Board or Committees thereof and commission on profits for each year, in accordance with the Differential Remuneration Policy and within the limits approved by the shareholders at the Annual General Meeting of the Company.

Independent Directors, who continuously serve minimum two terms of five years each, are also entitled to one time commission of ₹10 lakhs at the time of stepping down from the Board. The Non-Executive Directors shall not be entitled to Stock Option Plan of the Company.

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 any Director as the Chairperson of the Company.

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 Chairperson of the Nomination & Remuneration Committee, 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 the Chairperson of the Nomination & Remuneration Committee, identifying and meeting the development needs of individual Directors and agreeing and regularly reviewing a personalised 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. CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR

7.1. Appointment and Tenure

The Chief Executive Officer and Managing Director (CEO & MD) of the Company is appointed by the Board after considering the eligibility criteria and qualification of the candidates. The CEO & MD is appointed for a period of five years and is eligible for re-appointment, subject to approval of shareholders. The CEO & MD is responsible for day-to-day management of the Company and enjoys 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. Please refer to the Board Role and Powers section for more details.

7.2. Responsibilities

The CEO & MD 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:

7.2.1. Strategy and Maintaining the Corporate Portfolio

- a. 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;
- b. ensuring that business plans and strategies are aligned with corporate objectives and priorities agreed with the Board;
- c. agreeing geographical markets, products and places of operation of business of the Company with the Board of the Company;
- d. 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;
- e. ensuring delivery of the Company's agreed strategy, business plans and financial performance;
- f. preparing for approval by the Board periodic business performance report including quarterly and annual results.

7.2.2. Financial

- a. setting financial and treasury strategies for the Company and implementing them;
- b. overseeing efficient functioning of the operating framework, the accounting and reporting policies, planning and reporting processes (including internal control measures and authority levels) and implementing and maintaining such framework, policies and processes;

7.2.3. Governance

- a. appointing and removing members of the Management Committee of the Company and other functional heads who report, directly or indirectly, to the Chief Executive Officer and Managing Director, subject to obtaining necessary approvals of the Committees, the Board and / or Shareholders of the Company, as may be applicable;

- b. proposing to the Nomination and Remuneration Committee the remuneration policy and the specific remuneration, bonuses and other terms of employment of members of the Management Committee and other Functional Heads, who report directly to the Chief Executive Officer and Managing Director, including those members of the Management Committee who are Executive Directors on the Board but without prejudice to the authority of the Shareholders of the Company;
- c. supervising and determining the roles, activities and responsibilities of the Management Committee of the Company and delegate powers to enable them to perform their roles;
- d. ensuring that the performance of members of the Management Committee and other Functional / Business Heads is systematically assessed and adequately rewarded;
- e. ensuring a continual supply of leadership of the quality necessary to meet the strategic needs of the Business;
- f. Establishing value leadership and expected norms of conduct, including implementation of and compliance with the Code of Business Principles;
- g. to provide, in conjunction with the Company Secretary, a properly constructed induction to new Directors;
- h. preparing for approval by the Board, and implementing and managing, HUL's risk management approach;
- i. implementing and managing compliance with the Code of Business Principles and HUL's Code Policies and standards;
- j. notify the Board of any issues, projects or transactions that in his judgment have the capacity to impact the reputation of the Company.

7.2.4. Communication with Stakeholders

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

7.2.5 Contracts

- a. power to enter into commitments, agreements, contracts, instruments or other documents on behalf of the Company in relation to day-to-day functioning of the business.

The CEO & MD in discharging the duties is responsible to the Board as a whole.

8. INDEPENDENT DIRECTORS

8.1. 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. who is or was not a promoter of the listed entity or its holding, subsidiary or associate company or member of the promoter group of the 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 material pecuniary relationship, other than receiving remuneration as such Director, with the Company or holding, subsidiary or associate Company, or their promoters, or directors, during the three immediately preceding financial years or during the current financial year
- e. none of the relatives is holding securities of or interest in the listed entity, its holding, subsidiary or associate Company during the three immediately preceding financial years or during the current financial year of face value in excess of fifty lakh rupees or two percent of the paid-up capital of the listed entity, its holding, subsidiary or associate Company, respectively, or such higher sum as may be specified;
- f. none of the relatives is indebted to the listed entity, its holding, subsidiary or associate Company or their promoters or directors, in excess of two percent of its gross turnover or total income or fifty lakh rupees or such higher amount as may be specified from time to time, whichever is lower during the three immediately preceding financial years or during the current financial year;
- g. none of the relatives has given a guarantee or provided any security in connection with the indebtedness of any third person to the listed entity, its holding, subsidiary or associate Company or their promoters or directors, for two percent of its gross turnover or total income or fifty lakh rupees or such higher amount as may be specified from time to time, whichever is lower during the three immediately preceding financial years or during the current financial year; or;

- h. none of the relatives has any other pecuniary transaction or relationship with the listed entity, its holding, subsidiary or associate Company amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be specified singly or in combination with the transaction referred to in sub-clauses (e), (f) and (g);
- i. who, neither himself/herself nor any of his relatives, holds the position of a key managerial personnel or is or has been an employee of the listed entity or its holding, subsidiary or associate company or any company belonging to the promoter group of the Company, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed.
- j. who, neither himself/herself nor any of his relatives, are or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of a firm of auditors or company secretaries in practice or cost auditors of the listed entity or its holding, subsidiary or associate company, or any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
- k. who, neither himself/herself nor any of his relatives, holds two per cent or more of the total voting power of the Company;
- l. is not a Chief Executive Officer or Director, by whatever name called, of any non-profit organisation 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;
- m. is not a material supplier, service provider or customer or a lessor or lessee of the listed entity;
- n. who possesses such other qualifications as deemed necessary by the Nomination and Remuneration Committee, in line with the criteria for appointment to the Board;
- o. is at least 21 years of age;
- p. who is not a non-Independent Director of another Company on the board of which any Non-Independent Director of the listed entity is an Independent Director.

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 and at the end 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/she meets the criteria of 'independence'.

8.2. Tenure

The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Act and Listing Regulations, 2015. In keeping with progressive governance practices, your Company shall, for the purpose of determining the composition of the Board, treat all Independent Directors who are henceforth appointed from the Financial Year 2022-23 and, thereafter, and who complete ten years on the Board, as Non-Independent.

8.3. Meetings of Independent Directors

The Chairperson shall meet the Independent Directors without the executives present, once in each quarter. The Independent Directors shall also meet independently once in each quarter to consider agenda items set by them. Independent Directors shall amongst themselves elect one of them to lead the agenda of their meeting. 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 Chief Executive Officer and 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 Organisation is monitored and reported to the Board; and
- i. such other duties as may be assigned by the Board from time to time.

10. 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.

10.1. Risk Management

The Board, the Audit Committee and the Risk Management Committee shall be collectively responsible for Risk Identification, Risk Minimization and Risk Mitigation as a part of risk management framework. The risk management framework in the Company aims to embed risk management in the normal course of business. This ensures that risk management is not seen as a standalone activity but as a part and parcel of running the business / function.

The Company has put in place an elaborate Risk Management Framework wherein Business Risk Assessment procedures have been set in place for self-assessment of business risks, operating controls and compliance with Corporate Policies. The objective of risk assessment framework is to provide to the operating management, a proactive and value adding review process, which enables them to maintain a risk profile associated with transactional controls at an acceptable level. This will be an ongoing process to track the evolution of the risks and delivery of mitigating action plans.

All the members of the Senior Leadership are required to provide a Positive Assurance once in a year to confirm their understanding and adherence to the processes relating to risk management. They are also required to escalate any new or enhanced risks to the Risk Management Committee as soon as they are perceived in their business.

A formal review of risks shall be carried out by the Risk Management Committee at least once in a year. This review will involve preparation and endorsement of a Corporate Risk Matrix, based on the inputs received from businesses and functions. The risk matrix details various risks on 'Likelihood-Impact' axes, along with the acceptability levels, based on the sufficiency of the mitigating actions in place.

The Internal Auditor is responsible for providing independent re-assurance to the Board, through the Chief Executive Officer and Managing Director and the Risk Management Committee, that all major risks affecting the achievement of Company's objectives are adequately understood and managed.

10.2. 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.

10.2.1. 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 administratively reports to the Chief Financial Officer. The appointment and remuneration of Internal Auditor will be subject to approval of Audit Committee.

10.3. 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 Statutory Auditors (including Internal Auditor) 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 Statutory Auditor shall, on an annual basis, submit a certification of independence and arm's length relationship with the Company to the Board.

The Audit Committee will review and monitor Statutory 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 Statutory Auditors. The Audit Committee may approve the engagement of the Statutory 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.

10.3.1. Rotation

In order to maintain independence of Auditors, the Company shall rotate the audit partner responsible for audit of the Company, every five year and the audit firm shall be rotated every ten years. A cooling off period of five years must have elapsed before an audit partner or audit firm can be re-appointed by the Company.

The Secretarial Auditor shall be rotated every ten years and a cooling off period of three years must have elapsed to be re-appointed by the Company.

11. RELATION WITH SHAREHOLDERS

The Company recognises 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 shareholders access to balanced and understandable information about the Company.

11.1. Rights of Shareholders

The Shareholders of the Company shall have following rights:

- a. to participate in, and to be sufficiently informed on, decisions concerning fundamental corporate changes;
- b. opportunity to participate effectively and vote in general shareholder meetings;
- c. to be informed of the rules, including voting procedures that govern general shareholder meetings;
- d. 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 Act;
- e. participation in key decisions, such as the nomination and election of board members;
- f. exercise of ownership rights by all shareholders, including institutional investors;
- g. adequate mechanism to address the grievances of shareholders;
- h. 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.

11.2. Contact with the Directors

Shareholders may contact an Individual Director, the Board as a group, or a specified Board Committee, including the Independent Directors, by writing to levercare.shareholder@unilever.com or by sending communication to the Company Secretary at the registered office. The Corporate Secretarial 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 Corporate Secretarial Department.

Each Director is encouraged to attend the Company's General Meeting of shareholders to address shareholder's concerns, if any.

11.3. Methods of Communication

The Company communicates relevant information to shareholders through a range of forums and publications. These 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
- g. Press Releases

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

Company shall maintain an investor's section on its website to assist with shareholder communication.

11.4. Grievance / Dispute Resolution

The Company has put in place the process of resolving shareholders disputes and grievances through an alternative disputes' redressal mechanism. The Company has appointed four retired Judges of different High Courts, one in each region, to act as Ombudsman. The Ombudsman independently reviews the merits of the complaint and decides on the issue.

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 Corporate Secretarial Department of the Company. The Corporate Secretarial 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 Corporate Secretarial Department, the matter may be referred to the Stakeholders' Relationship Committee of the Company.

In the event the matter is not resolved as stated above at the level of Stakeholders' Relationship Committee or the shareholder is not satisfied with the resolution provided by the Committee, the said grievance can be referred to the Company's Ombudsman, as nominated by the Company for each region, for resolution. The decision of the Ombudsman shall be final and binding on the Company.

12. 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 shall 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.

13. MONITORING MECHANISM FOR CODE

The Board of Directors of the Company shall be responsible for monitoring and implementation of the Code. There shall be an independent audit carried out by the Secretarial Auditor on an annual basis to evaluate the compliance of the Code. The Report of the said audit shall be placed before the Board of Directors.

14. ADOPTION & AMENDMENT

The Corporate Governance Code was adopted by the Board on 8th May, 2015 and was amended on 12th April, 2018 and further amended on 27th April, 2022.

GLOSSARY

The Company or HUL

Hindustan Unilever Limited

Act

Companies Act, 2013 read with Rules & Circulars as amended from time to time.

Board Committees

Statutory Committees which have Board Directors as members namely, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee and Risk Management Committee.

Sub-Committees

Statutory or non-statutory Committee that executes items of routine nature and has Executive Directors of the Board as members namely, Share Transfer Committee, ESOP Committee, Committee for Disposal of Surplus Assets and the Administrative Matters Committee.

Management Committee

The Committee which is constituted by Board or constituted under any of the Policies of the Company and has members of the management or other senior managers of the Company as its members.

Appendices

Appendix 1: Terms of Reference: Audit Committee

1. PRIMARY RESPONSIBILITY OF THE COMMITTEE

- 1.1.** The Audit Committee shall be primarily responsible for the following:
- To oversee the integrity of the Company's financial statements;
 - To oversee internal control arrangements;
 - To oversee the compliance of financial statements with legal and regulatory requirements;
 - To oversee the performance, qualifications and independence of the Statutory Auditors and the performance of the internal audit function.

2. MEMBERSHIP

- 2.1.** The members of the Committee shall be appointed by the Board from time to time;
- 2.2.** The Committee shall comprise a minimum of three Directors, all of them shall be Independent Directors;
- 2.3.** The Company Secretary shall act as the Secretary to the Committee; and

3. MEETINGS

- 3.1.** The Committee shall meet at least four times in a financial year and the maximum gap between two such consecutive meetings shall not exceed 120 days;
- 3.2.** The Committee has an authority to convene additional meetings, as may be required;
- 3.3.** Meetings shall be convened by written notice or through electronic means served on each of the members of the Committee at least seven days prior to the meeting;
- 3.4.** Meeting may be called at shorter notice, subject to consent of all the members of the Committee;
- 3.5.** All members of the Committee are expected to attend each meeting and the quorum for the meeting shall be, minimum three members of the Committee;
- 3.6.** Meetings of the Committee may be attended by the Chief Executive Officer, Chief Financial Officer, Group Controller, Head of Control Assurance, the lead partner of the Statutory Auditors, and other Directors and Executives as per the invitation of the Committee;
- 3.7.** The Committee shall meet the Statutory Auditors and Internal Auditor independently in private session at least once a year;
- 3.8.** 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 and shall be counted for the purpose of quorum;
- 3.9.** Formal decisions shall be made by a simple majority vote, with the Chairperson of the meeting holding a casting vote;
- 3.10.** The Secretary to the Committee shall be responsible, in conjunction with the Head of Control Assurance and the Chairperson 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. Financial Statements

- 4.1.1.** overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- 4.1.2.** reviewing and examination with management the quarterly financial results and Limited Review Report before submission to the Board;
- 4.1.3.** reviewing and examination with management the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
- (a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of Section 134(3)(c) of the Act;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by Management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements;
 - (f) Disclosure of any related party transactions, if any;
 - (g) Modified opinion(s), if any, in the draft audit report.

- 4.1.4. review management discussion and analysis of financial condition and results of operations;
- 4.1.5. reviewing with management the annual financial statements as well as investments made by the unlisted subsidiary companies;

4.2. Statutory Auditors

- 4.2.1. recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services;
- 4.2.2. 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;
- 4.2.3. reviewing at least annually:
 - (a) the report that the Statutory Auditors must provide to the Committee about the Statutory Auditors' independence; and
 - (b) a report of the Statutory Auditors' internal quality control procedures;
- 4.2.4. reviewing with management performance of Statutory Auditors;

4.3. Related Party Transactions

- 4.3.1. reviewing, approving or subsequently modifying any related party transactions in accordance with the Related Party Transaction Policy of the Company;
- 4.3.2. reviewing, at least on a quarterly basis, the details of related party transactions entered into by the listed entity;
- 4.3.3. reviewing the RPT Policy of the Company atleast once in three years or as and when there is a change in the regulatory framework, whichever earlier, and amending the Policy from time to time, subject to the approval of the Board of Directors of the Company;

4.4. Internal Audit Function

- 4.4.1. recommending appointment, remuneration and terms of appointment of internal auditor of the Company;
- 4.4.2. 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;
- 4.4.3. reviewing the findings of any internal investigations by the internal auditors into matters related to suspected fraud or irregularity or a failure of internal control systems of material nature and reporting to the Board;
- 4.4.4. reviewing with management performance of the internal auditor.

4.5. Internal Control Systems

- 4.5.1. evaluating internal financial controls and risk management systems;
- 4.5.2. reviewing with management the adequacy of internal control systems;
- 4.5.3. reviewing management letters / letters of internal control weakness issued by the statutory auditors;

4.6. Compliance with the laws

- 4.6.1. reviewing the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow up (including disciplinary action) of any instances of non-compliance and obtaining regular updates from the management regarding compliance matters;
- 4.6.2. reviewing compliance with respect to the provisions of SEBI (PIT) Regulations, 2015 at least once in a financial year and verifying that the systems for internal control for compliance with these regulations are adequate and operating effectively;

4.7. Whistle Blowing/Vigil Mechanism

- 4.7.1. reviewing the vigil mechanism established by the Company under the Business Integrity framework for the Directors, employees and third parties to report genuine concerns;
- 4.7.2. providing for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases;
- 4.7.3. ensuring that the existence of vigil mechanism is appropriately communicated within the Company and also made available on Company's website; and
- 4.7.4. ensuring that the interests of a person who uses such a mechanism are not prejudicially affected on account of such use.

4.8. Monitoring proceeds of an issue

- 4.8.1. reviewing with the Management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
- 4.8.2. reviewing mandatorily the following information:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

4.9. Others

- 4.9.1. scrutiny of inter-corporate loans and investments made by the Company;
- 4.9.2. valuating undertaking or assets of the Company, wherever it is necessary;
- 4.9.3. examining reasons for substantial default in the payment to shareholders (in case of non-payment of declared dividends) and creditors, if any;
- 4.9.4. approving the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- 4.9.5. reviewing the progress made on cases that are reported under the Code of Business Principles of the Company and implication of these cases, if any, under the UK Bribery Act, 2011.
- 4.9.6. reviewing the utilization of loans and / or advances from / investments by the Company in its subsidiary exceeding Rs. 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- 4.9.7. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc. on the Company and the shareholders;
- 4.9.8. the Committee shall have access to the Audit Committee minutes of the subsidiary companies;
- 4.9.9. reviewing the list of material subsidiary annually and make suitable recommendations, including recommendation for appointment of Independent Director on the Board of material subsidiary;
- 4.9.10. recommend appointment, remuneration and terms of appointment of Cost Auditors of the Company;
- 4.9.11. Any other matter as may be prescribed.

5. REPORTING AND EVALUATION

- 5.1. The Committee shall report to the Board of Directors;
- 5.2. The Company Secretary shall, in consultation with Head of Control Assurance, prepare minutes of all meetings of the Committee;
- 5.3. The Committee shall annually review and assess the adequacy of its Terms of Reference, and shall ensure that it is operating efficiently;
- 5.4. The Committee shall conduct an annual self-evaluation of its own performance, see that the Committee is functioning in accordance with its Terms of Reference and shall report thereon to the Board. This evaluation shall take into account the views of the Board on the performance of the Committee.

6. ANNUAL GENERAL MEETING

- 6.1. The Chairperson of the Audit Committee shall attend the Annual General Meetings of the Company and be available to answer any questions referred to him/her.

Appendix 2: Terms of Reference: Nomination and Remuneration Committee

1. PRIMARY RESPONSIBILITY OF THE COMMITTEE

- 1.1.** The Nomination and Remuneration Committee shall be responsible for the following:
- recommending candidates for appointment as Directors on the Board or on the Management Committee, or as Key Managerial Personnel in accordance with the criteria laid down;
 - recommending the level and structure of remuneration for members of the Board and the Management Committee and Key Managerial Personnel;
 - performance evaluation of each of the Directors and the Board and the Key Managerial Personnel;
 - ensuring orderly succession planning at the Board level; and
 - ensuring that the Board and its Committees consist of Directors with the appropriate balance of skills, experience, diversity, independence and knowledge about the Company to enable it to discharge its duties and responsibilities effectively.

2. MEMBERSHIP

- 2.1.** The members of the Committee shall be appointed by the Board;
- 2.2.** The Committee shall comprise a minimum of three Directors;
- 2.3.** All Members of the Committee shall be Non-Executive Directors and majority of the members shall be Independent Directors;
- 2.4.** The Chairperson of the Company (Executive or Non-Executive) may be appointed as the member of the Committee, but he/she shall not chair such Committee;
- 2.5.** The Company Secretary acts as the Secretary to the Committee.

3. MEETINGS

- 3.1.** The Committee shall meet at least twice in a financial year 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 at least seven 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 three members of the Committee including atleast one Independent Director in attendance;
- 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 and shall be counted in quorum for the meeting;
- 3.6.** The Committee may invite members of the Management, consultants or other external experts, if required;
- 3.7.** Formal decisions shall be made by a simple majority vote, with the Chairperson of the meeting holding a casting vote; and
- 3.8.** The Secretary to the Committee shall be responsible, in conjunction with the Chairperson 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. Nomination of Directors, Members of Management Committee and Key Managerial Personnel

- 4.1.1.** Determine / Recommend the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;
- 4.1.2.** Determine / Recommend the criteria for qualifications, positive attributes and independence of Director;
- 4.1.3.** Identify candidates who are qualified to become Directors and who may be appointed on the Management Committee, or as a Key Managerial Personnel and recommend to the Board their appointment and removal;
- 4.1.4.** For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- (a) use the services of an external agency, if required;
- (b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
- (c) consider the time commitments of the candidates.

4.2. Remuneration Policies

- 4.2.1. Review and determine all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonuses, stock options, pension etc;
- 4.2.2. Formulate / Recommend to the Board a policy relating to the remuneration for the Directors, Members of the Management Committee, Key Managerial Personnel and other employees;
- 4.2.3. Review and determine fixed component and performance linked incentives for Directors, along with the performance criteria;
- 4.2.4. Recommend to the Board, all remuneration, in whatever form, payable to the members of the Management Committee, Company Secretary and Chief Financial Officer;

4.3. Performance Evaluation

- 4.3.1. Formulate criteria and carry out evaluation of each Director's performance and performance of the Board as a whole;
- 4.3.2. Decide whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors

4.4. Succession Planning

- 4.4.1. Succession planning (including the development of a diverse pipeline for succession) for the Board including evaluating and recommending termination of service of individual members of the Board as appropriate for cause or for other proper reasons;
- 4.4.2. ensuring that succession planning to the Board and the leadership development plans to enhance such succession planning are discussed at the Board at least annually

4.5. Others

- 4.5.1. Determine policy on service contracts, notice period, severance fees for Directors, Members of the Management Committee and Key Managerial Personnel;
- 4.5.2. Devise a Policy on Board Diversity, review it periodically and recommend revisions in the Policy to the Board
- 4.5.3. Any other matter as may be prescribed.

5. REPORTING AND EVALUATION

- 5.1. The Committee shall report to the Board of Directors;
- 5.2. The Company Secretary shall, prepare minutes of all meetings of the Committee;
- 5.3. The Committee shall annually review and assess the adequacy of its Terms of Reference, and shall ensure that it is operating efficiently;
- 5.4. The Committee shall conduct an annual self-evaluation of its own performance, see that the Committee is functioning in accordance with its Terms of Reference and shall report thereon to the Board. This evaluation shall take into account the views of the Board on the performance of the Committee.

6. ANNUAL GENERAL MEETING

- 6.1. The Chairperson of the Nomination and Remuneration Committee shall attend the Annual General Meetings of the Company and shall be available to answer any questions referred to him / her.

Appendix 3: Terms of Reference: Stakeholders' Relationship Committee

1. PRIMARY RESPONSIBILITY OF THE COMMITTEE

- 1.1. The Stakeholders Relationship Committee shall assist the Board in fulfilling its responsibilities in respect of review of Investor Service Standards of the Company and redressal of Shareholders' Grievances.

2. MEMBERSHIP

- 2.1. The members of the Committee shall be appointed by the Board from time to time;
- 2.2. The Committee shall comprise of a minimum of three Directors, of which at least one Director should be an Independent Director;
- 2.3. The Chairperson of the Committee shall be an Independent Director;
- 2.4. The Company Secretary shall act as the Secretary to the Committee.

3. MEETINGS

- 3.1. The Committee shall meet at least twice in a year and has an authority to convene additional meetings, as may be required;
- 3.2. Meetings shall be convened by written notice served on each of the members of the Committee 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 of two members including one Independent Director of the Company;
- 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. Formal decisions are made by a simple majority vote, with the Chairperson of the meeting holding a casting vote; and
- 3.8. 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. Consider and resolve the grievances of shareholders of the Company with respect to general meetings, transfer of shares, transmission of shares, non-receipt of annual report, non-receipt of declared dividend, issue of new / duplicate share certificates, etc;
- 4.2. Review of measures taken for effective exercise of voting rights by shareholders;
- 4.3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by its Registrar & Share Transfer Agent;
- 4.4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- 4.5. Ensure expeditious share transfer process in line with the proceedings of the Share Transfer Committee;
- 4.6. Provide guidance and make recommendations to improve investor service levels for the investors;
- 4.7. Take steps to develop an understanding of the views of shareholders about the Company, either through direct face-to-face contact, analysts' briefings or survey of shareholders.
- 4.8. Oversee and review the engagement and communication plan with shareholders and ensure that the views / concerns of the shareholders are highlighted to the Board at appropriate time and that the steps are taken to address such concern.
- 4.9. 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 annually review and assess the adequacy of its Terms of Reference and shall ensure that it is operating efficiently;
- 5.4.** The Committee shall conduct an annual self-evaluation of its own performance see that the Committee is functioning in accordance with its Terms of Reference and shall report thereon to the Board. This evaluation shall take into account the views of the Board on the performance of the Committee.

6. ANNUAL GENERAL MEETING

- 6.1.** The Chairperson of the Stakeholders Relationship Committee shall attend the Annual General Meetings of the Company and be available to answer any questions referred to him / her.

Appendix 4: Terms of Reference: Corporate Social Responsibility Committee

1. PRIMARY RESPONSIBILITY OF THE COMMITTEE

- 1.1.** The Committee shall assist the Board in fulfilling its oversight responsibilities in respect of Corporate Social Responsibility (CSR) by :
- 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 CSR Policy of the Company from time to time.
- 1.2.** 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.

2. MEMBERSHIP

- 2.1.** The members of the Committee shall be appointed by the Board and majority of the members shall be Independent Directors;
- 2.2.** The Committee shall comprise at least three Directors or such number of Directors may be prescribed under the law.
- 2.3.** The Chairperson of the Committee shall be an Independent Director;
- 2.4.** The Company Secretary shall act as the Secretary to the Committee.

3. MEETINGS

- 3.1.** The Committee shall meet at least twice in a year and has an authority to convene additional meetings, as may be required;
- 3.2.** Meetings shall be convened by written notice served on each of the members of the Committee 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 of three members including two Independent Directors of the Company;
- 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 and shall be counted for the purpose of quorum;
- 3.6.** The Committee may invite consultants and other external experts, if required;
- 3.7.** Formal decisions shall be made by a simple majority vote, with the Chairperson of the meeting holding a casting vote; and
- 3.8.** 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.** Formulating, recommending to the Board and reviewing the Annual Action Plan for CSR Expenditure.
- 4.4.** Maintain the list of CSR Projects/ Programmes as approved; the manner of execution of such projects or programmes; the modalities of utilisation of funds and implementation schedules for the projects or programmes; details of need and impact assessment, if any, monitoring and reporting mechanism for the projects;
- 4.5.** Reviewing the Annual Action Plan for CSR expenditure;
- 4.6.** Recommendation of any alteration in the Annual Action Plan at any time during the year and update, if any, required to the CSR Policy;
- 4.7.** Bring any relevant issue to the attention of the Board and make recommendations relating to such issues;
- 4.8.** Institute a transparent monitoring mechanism for implementation of the CSR projects or programmes or activities undertaken by the Company.

- 4.9.** Identification of the projects of the Company as 'Ongoing Projects' as per the provisions of the Act and recommendation of the same to the Board;
- 4.10.** Ensure Impact assessment through third parties for CSR projects, whenever applicable;
- 4.11.** Reviewing the performance of the Company in the area of CSR;
- 4.12.** Monitoring CSR Policy of the Company from time to time;
- 4.13.** Any other matter as may be prescribed.

5. REPORTING AND PERFORMANCE EVALUATION

- 5.1.** The Committee shall report to the Board of Directors;
- 5.2.** The Company Secretary shall prepare minutes of all meetings of the Committee;
- 5.3.** The Committee shall annually review and assess the adequacy of its Terms of Reference and shall ensure that it is operating efficiently;
- 5.4.** The Committee shall conduct an annual self-evaluation of its own performance see that the Committee is functioning in accordance with its Terms of Reference and shall report thereon to the Board. This evaluation shall take into account the views of the Board on the performance of the Committee.

Appendix 5: Terms of Reference: Risk Management Committee

1. PRIMARY RESPONSIBILITY OF THE COMMITTEE

- 1.1. The Risk Management Committee shall assist the Board in:
 - monitoring and reviewing the risk management policy; and
 - implementation of the risk management framework.
- 1.2. The Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary for the purpose of discharging its functions.

2. MEMBERSHIP

- 2.1. The members of the Committee shall be appointed by the Board;
- 2.2. The senior executives of the Company may be appointed as members of the Committee;
- 2.3. The Committee shall comprise of a minimum of three members, majority of whom shall be members of the Board of Directors including at least one Independent Director;
- 2.4. The Chairperson of the Committee shall be a Director;
- 2.5. The Company Secretary shall act as the Secretary to the Committee;

3. MEETINGS

- 3.1. The Committee shall meet at least twice a year and in such a manner that on a continuous basis not more than 180 days shall elapse between two consecutive meetings and has an authority to convene additional meetings, as may be required;
- 3.2. Meetings shall be convened by written notice or through electronic means served on each of the members of the Committee;
- 3.3. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher, including at least one member of the Board of Directors in attendance;
- 3.4. All members of the Committee are expected to attend each meeting;
- 3.5. Meetings of the Committee may be attended by other executives as per the invitation of the Committee;
- 3.6. 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 and shall be counted for the purpose of quorum.
- 3.7. Formal decisions shall be made by a simple majority vote, with the Chairperson of the meeting holding a casting vote; and
- 3.8. The Secretary shall be responsible, in conjunction with the Head of Control Assurance and the Chairperson 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. Formulation of risk management policy, including:
 - 4.1.1. Framework for identification of internal and external risks, inter-alia, financial, operational, sectoral, sustainability/ESG, information, cyber security risks; legal and regulatory risks;
 - 4.1.2. Measures for risk mitigation including systems and processes for internal control of identified risks;
 - 4.1.3. Business continuity plans.
- 4.2. Review the risk management policy, at least once in two years;
- 4.3. Risk Monitoring
 - 4.3.1. Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks;
 - 4.3.2. Oversight on implementation of the risk management policy and the adequacy of risk management systems;

4.4. Risk Management Administration

- 4.4.1.** Inform Board of Directors about the nature and content of its discussions, recommendations and actions to be taken;
- 4.4.2.** Appointment, removal and terms of remuneration of the Chief Risk Officer (if any).
- 4.5.** Co-ordinate its activities with other committees, in instances where there is any overlap with activities of other committees; and
- 4.6.** Any other matters as may be prescribed.

5. REPORTING AND EVALUATION

- 5.1.** The Committee shall report to the Board of Directors;
- 5.2.** The Company Secretary shall, in consultation with Head of Control Assurance, prepare minutes of all meetings of the Committee;
- 5.3.** The Committee shall annually review and assess the adequacy of its Terms of Reference, and shall ensure that it is operating efficiently;
- 5.4.** The Committee shall conduct an annual self-evaluation of its own performance to see that the Committee is functioning in accordance with its Terms of Reference and shall report thereon to the Board. This evaluation shall take into account the views of the Board on the performance of the Committee.

Appendix 6: Terms of Reference: Environmental, Social and Governance Committee

1. PRIMARY RESPONSIBILITY OF THE COMMITTEE

- 1.1.** The Environmental, Social and Governance Committee shall be primarily responsible for the following:
- To assist the Board in overseeing the vision and focus on the Company's strategy relating to ESG and sustainability matters.
 - Oversight on key decisions, monitoring the progress against the stated vision and in reviewing the practices, initiatives & goals of the Company relating to ESG, and ensuring that they remain effective.

2. MEMBERSHIP

- 2.1.** Members of the Committee shall be appointed by the Board from time to time;
- 2.2.** The Committee shall comprise of a minimum of three members and majority of whom shall be Independent Directors;
- 2.3.** The Chairperson of the Committee shall be an Independent Director.

3. MEETINGS

- 3.1.** The Committee shall meet at least twice in a year and has an authority to convene additional meetings, as may be required;
- 3.2.** Meetings shall be convened by written notice served on each of the members of the Committee prior to the meeting;
- 3.3.** The quorum for the meeting shall be two members of the Committee or one third of the Committee, whichever is greater.
- 3.4.** All or any members of the Committee may participate in a meeting by audio visual means. A person so participating is deemed to be present at the meeting and shall be counted in quorum for the meeting;
- 3.5.** The Committee may invite members of the Management, consultants or other external experts, if required;
- 3.6.** Formal decisions shall be made by a simple majority vote, with the Chairperson of the meeting holding a casting vote; and
- 3.7.** The Secretary to the Committee shall be responsible, in consultation with the Chairperson of the Committee, for compiling and circulating the agenda papers for the meeting.

4. ROLES AND RESPONSIBILITIES

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

- 4.1.** Guide the creation of the ESG Vision & ambition of the Company and monitor the same. The Committee shall ensure that the Company is taking appropriate measures to undertake and implement actions to further its ESG vision and ambition, take updates on the ESG vision and goals thereon.
- 4.2.** Provide advice and direction to the Company's management on implementation of the Company's ESG Strategy, the opportunities and risks to the Company's operations and reputation and its corporate responsibility.
- 4.3.** Review and approval of the ESG Policies that are formalized along with an oversight on their implementation & periodically bring up the same for the consideration & approval of the Board
- 4.4.** Work in joint co-ordination with the Risk Management Committee to oversee the identification and mitigation of risks relating to ESG and review the effectiveness of risk management and internal control policies where relevant to ESG matters.
- 4.5.** Oversee the Company's engagement with its broader stakeholder community and ensure that the Company is taking appropriate measures including an oversight on grievance redressal mechanism.
- 4.6.** Monitor Company's ESG ratings and statutory requirements for Sustainability reporting & disclosures e.g., Business Responsibility & Sustainability Reporting (BRSR), in joint co-ordination with the Audit Committee;
- 4.7.** Review regularly the requirement for external assurance of ESG matters and as may be deemed necessary, appoint external third parties to carry out assurance of the effectiveness of ESG related policies, processes and initiatives and the accuracy of the reporting of ESG matters;
- 4.8.** Review, prior to approval by the Board, the ESG matters to be presented in the Company's Annual Report and monitor the integrity of these reports.

5. REPORTING AND EVALUATION

- 5.1.** The Committee shall report 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.

Appendix 7: Terms of Reference: Share Transfer / Transmission Committee

1. PRIMARY RESPONSIBILITY OF THE COMMITTEE

- 1.1. The Committee shall assist the Board in considering the applications for transfer, transmission, spilt, consolidation of the Company's shares.

2. MEMBERSHIP

- 2.1. The Committee shall comprise of any three Directors;
- 2.2. The Company Secretary shall act as the Secretary to the Committee.

3. MEETINGS

- 3.1. The Committee has an authority to convene meetings, as may be required. However, the Committee shall meet at least once in every fortnight, excluding the period of book closure;
- 3.2. The quorum for the meeting is two members of the Committee;
- 3.3. 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;
- 3.4. A person attending through video conference shall be counted in quorum for the meeting;
- 3.5. Formal decisions shall be made by a simple majority vote, with the Chairperson of the meeting holding a casting vote; and
- 3.6. 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. Consider applications for transfer / transmission of the Company's shares, splitting up or consolidating share certificates or dematerialization of the shares of the Company;
- 4.2. To consider issue of new share certificates and transmission of shares of Investor Education and Protection Fund (IEPF);
- 4.3. Order the names of approved transferees to be entered on the reverse of the Share Certificates and the names of the said transferees to be entered in the Register of Members;
- 4.4. Order the cancellation of any share certificate or the signing, sealing or issue of any new certificate either as a result of transfer, consolidation or splitting or in lieu of Share Certificates lost, defaced or destroyed; and
- 4.5. Authorize individuals to print share certificate stationery and to sign or endorse share certificates.
- 4.6. Any other matter as may be prescribed.

5. REPORTING AND EVALUATION

- 5.1. The Committee shall report to the Board on a regular basis;
- 5.2. The Secretary shall prepare minutes of all meetings of the Committee and these shall be promptly circulated to the members of the Committee;
- 5.3. The Committee shall review and assess periodically the adequacy of these Terms of Reference, and confirm that all the responsibilities set out in the current Terms of Reference have been carried out;
- 5.4. The Committee shall conduct a self-evaluation of its own performance once every two years to ensure that the Committee is functioning in accordance with its Terms of Reference, and shall report thereon to the Board. This evaluation shall take into account the views of the Board on the performance of the Committee.

Appendix 8: Terms of Reference: Committee for Allotment of Shares under ESOPs

1. PRIMARY RESPONSIBILITY OF THE COMMITTEE

- 1.1.** The Committee shall assist Board in the process of allotment and issue of eligible shares on an ongoing basis to the concerned employees of the Company under the Stock Option Plan of the Company.

2. MEMBERSHIP

- 2.1.** The Committee shall comprise of any three Directors;
- 2.2.** The Company Secretary shall act as the Secretary to the Committee.

3. MEETINGS

- 3.1.** The Committee has an authority to convene meetings, as may be required;
- 3.2.** The quorum for the meeting is two members of the Company;
- 3.3.** All or any of the members of the Committee may participate in a meeting by video / teleconference. A person so participating is deemed to be present at the meeting;
- 3.4.** A person attending through video conference shall be counted in quorum for the meeting;
- 3.5.** Formal decisions shall be made by a simple majority vote, with the Chairperson of the meeting holding a casting vote; and
- 3.6.** The Secretary of 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.** Approving issue and allotment of shares to eligible employees, pursuant to and in terms of Stock Option Plans of the Company;
- 4.2.** Authorise individuals to take necessary steps for allotment of shares and other allied activities; and
- 4.3.** Any other matter as may be prescribed.

5. REPORTING AND EVALUATION

- 5.1.** The Committee shall report to the Board on a regular basis;
- 5.2.** The Company Secretary shall prepare minutes of all meetings of the Committee; and
- 5.3.** The Committee shall annually review and assess the adequacy of its Terms of Reference and confirm that all the responsibilities set out in the current Terms of Reference have been carried out;
- 5.4.** The Committee shall conduct a self-evaluation of its own performance once every two years to ensure that the Committee is functioning in accordance with its Terms of Reference, and shall report thereon to the Board. This evaluation shall take into account the views of the Board on the performance of the Committee.

Appendix 9: Terms of Reference: Administrative Matters Committee

1. PRIMARY RESPONSIBILITY OF THE COMMITTEE

- 1.1. The Committee shall assist Board in considering and approving operational business requests that arise in the normal course of the business.

2. MEMBERSHIP

- 2.1. The Committee shall comprise a minimum of any three Directors;
2.2. The Company Secretary shall act as the Secretary to the Committee.

3. MEETINGS

- 3.1. The Committee has an authority to convene meetings, as may be required;
3.2. The quorum for the meeting shall be two members of the Committee;
3.3. 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.
3.4. A person attending through video conference shall be counted in quorum for the meeting;
3.5. Formal decisions shall be made by a simple majority vote, with the Chairperson of the meeting holding a casting vote; and
3.6. 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 shall inter-alia include:

- 4.1. Consider and approve the proposal(s) to enter into and / or exit from banking relationship with existing banks / any other banks to meet requirements of the Company;
4.2. Delegate powers to the various officers of the Company and its units for operating the banking accounts and vary the powers delegated within the limits as prescribed vide a resolution of the Board of Directors;
4.3. Approve the drafts of agreements, deeds, declarations, undertakings, and other papers and documents that may be required in the normal course of business and to authorise and delegate all or any of the powers in this regard to one or more of its members or officers of the Company and to execute such documents, if necessary, under the Common Seal of the Company in terms of Articles of Association of the Company;
4.4. Nominate or revoke nomination of a representative under Foods Safety and Standards Act, 2006 and any consequent amendment thereof;
4.5. Issue, approve, cancel or renew the power of attorney(ies) in favour of employees of the Company as and when required for business purposes;
4.6. To take all necessary actions, which are incidental or consequential to the above functions; and
4.7. Any other matter as may be prescribed.

5. REPORTING AND EVALUATION

- 5.1. The Committee shall report to the Board on a regular basis;
5.2. The Company Secretary shall prepare minutes of all meetings of the Committee;
5.3. The Committee shall annually review and assess the adequacy of its Terms of Reference and confirm that all the responsibilities set out in the current Terms of Reference have been carried out;
5.4. The Committee shall conduct a self-evaluation of its own performance once every two years to ensure that the Committee is functioning in accordance with its Terms of Reference, and shall report thereon to the Board. This evaluation shall take into account the views of the Board on the performance of the Committee.

Appendix 10: Terms of Reference: Committee for Disposal of Surplus Assets

1. PRIMARY RESPONSIBILITY OF THE COMMITTEE

- 1.1. The Committee shall be responsible for identifying the surplus assets and evaluating and approving individual transactions with regard to sale or disposal of the property and to expedite the transfer process after ensuring due compliance with requisite formalities.

2. MEMBERSHIP

- 2.1. The Committee shall comprise of any three Directors;
- 2.2. The Company Secretary shall act as the Secretary to the Committee.

3. MEETINGS

- 3.1. The Committee has an authority to convene meetings, as may be required;
- 3.2. The quorum for the meeting shall be two members of the Committee;
- 3.3. 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;
- 3.4. A person attending through video conference shall be counted in quorum for the meeting;
- 3.5. Formal decisions shall be made by a simple majority vote, with the Chairperson of the meeting holding a casting vote;
- 3.6. 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. Identifying surplus properties;
- 4.2. Inviting bids from potential buyers and carrying out evaluation of bids received;
- 4.3. Carrying out negotiation, agreeing on consideration, execution of requisite documents and taking all other steps involved in giving effect to sale and transfer of the ownership rights, interest and title in the identified property of the Company;
- 4.4. Authorising individuals to execute any of the above-mentioned responsibilities assigned to the Committee; and
- 4.5. Any other matter as may be prescribed

5. REPORTING AND EVALUATION

- 5.1. The Committee shall report to the Board on a regular basis;
- 5.2. The Company Secretary shall prepare minutes of all meetings of the Committee;
- 5.3. The Committee shall annually review and assess the adequacy of its Terms of Reference and confirm that all the responsibilities set out in the current Terms of Reference have been carried out;
- 5.4. The Committee shall conduct a self-evaluation of its own performance once in every two years to ensure that the Committee is functioning in accordance with its Terms of Reference, and shall report thereon to the Board. This evaluation shall take into account the views of the Board on the performance of the Committee.

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