



## Krystal Integrated Services Limited

### Terms and Condition for appointment of Independent Director

1. The term of Independent Director should be considered as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time;
2. The provisions contained in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall apply as regards Performance Evaluation of the Independent Director is concerned. As per the provisions of Companies Act, 2013, your performance as an Independent Director will be reviewed on an annual basis;
3. You will devote sufficient time to the affairs of the Company while functioning as Independent Director as would be required to help the company to achieve its objectives;
4. You may be invited by the Board to serve on one or more Board Committees or Other Committees of the Company, either as Chairman or Member. The role of these Committees shall be determined by the Board from time to time. The induction of an Independent Director as a Chairman or Member in any Committee shall be subject to all applicable Laws, Rules and Regulations;
5. As per the legal provisions, you will discharge your duties as per the provisions of Companies Act, 2013, read with Rules made there under, Code of Conduct of Independent Directors as per Schedule IV of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, Articles of the Company and other Statutes as may be applicable from time to time. Further, there are certain duties prescribed for all Directors both Executive and Non-executive, which are as under :-
  - a. You shall act in accordance with Company's Memorandum and Articles of Association.
  - b. You shall act in good faith in order to promote objectives of the Company for the benefit of its Members as a whole and in the interest of the Company.
  - c. You shall discharge your duties with due and reasonable care, skill and diligence.
  - d. You shall not involve in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.

- e. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners, or associates and if you are found guilty of making any undue gain, you will be liable to pay an amount equal to that gain to the company.
  - f. You shall not assign the office of Director and any assignments so made shall be void.
  - g. You shall also comply with the provision regarding maximum number of Directorship as contained` in Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.
6. The Company has adopted a Code of Conduct of the Company for its Directors and Senior Management Personnel which is applicable to Independent Directors also. The Independent Directors are also expected to abide by the Code for Independent Directors as per Schedule IV of the Companies Act, 2013 (attached with this appointment letter);
  7. Remuneration will be paid by way of sitting fees and reimbursement of expenses for participation in the Board and other meetings and commission and/or such other payments as may be decided by the Board from time to time. Such payments shall be subject to the provisions of Companies Act, 2013 and any amendments /subsequent legislation applicable to such appointments’
  8. The sitting fees, presently paid to Independent Directors is Rs. 1,00,000/- per Board Meeting and Rs. 25,000/- per Committee meeting;
  9. The Company will maintain a Directors and Officers (D and O) Insurance Policy to pay for the personal liability of the Directors for claims made against them while serving on the Board of the Company;
  10. The Company must be informed by the Director of any relation with any other Director or may have material interest in any transaction or arrangement that the Company has entered into. Such interest should be disclosed not later than when transaction or arrangement comes up at the Board meeting so that the minutes may record your interest appropriately and records to be updated accordingly. Further, the details regarding any relation with the Directors of the Company may be informed as on the date of appointment and from time to time as and when there is change. The general notice that you are entering in any contract with particular person or firm or Company is acceptable;
  11. Your attention is drawn to the requirements of SEBI (Prohibition of Insider Trading) Regulations 2015, as amended from time to time in respect of disclosure of price-sensitive information. Consequently, you should not make any statements and/or enter into transactions that might risk a breach of these requirements.



Kindly confirm your acceptance of these terms by signing and returning to us the enclosed copy of this letter.

Yours sincerely,  
Krystal Integrated Services Limited

Company Secretary

Place:

Date:

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

Name: \_\_\_\_\_

Signature :

Date :

Place:

**Krystal Integrated Services Limited**  
**(Formerly known as Krystal Integrated Services Private Limited)**

**Code of Conduct for Board Members and Senior Management Personnel**

**Applicability:**

This Code of Conduct for Board Members and Senior Management Personnel (hereinafter referred to as “**the Code**”) has been framed and adopted by Krystal Integrated Services Limited (hereinafter referred to as “**KISL**” or “**the Company**”) in compliance with Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Code is applicable to the Board of Directors (hereinafter referred to as “**Board Members**”) and the Senior Management Personnel, immediately one level below the Board Members (collectively referred to as “**Board Members and Senior Management Personnel**”). The independent directors of the Company are subject to certain additional duties as laid down by the Companies Act, 2013 which are set out in the Code. The Company Secretary shall be the Compliance Officer for the purpose of this Code of Conduct and will have the primary responsibility of implementing this Code.

All Board Members and Senior Management Personnel are expected to comply with the provisions of this Code. The Code will be strictly enforced and any violations will be appropriately dealt with, including subjecting persons to corrective and/or disciplinary action.

**Purpose:**

The Code has been framed to:

1. maintain the culture of honesty, integrity, transparency and accountability in the Board Members and Senior Management Personnel;
2. promote ethical standards of business conduct;
3. uphold the spirit of social responsibility and accountability in line with the legislations, regulations and guidelines governing the Company; and
4. to comply with the provisions of regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Standards of Ethical Conduct:**

The Board Members and the Senior Management Personnel shall act within the powers conferred on them and shall observe the highest standards of ethical conduct and integrity and shall work to the best of their ability and judgement.

In addition, the Board Members and the Senior Management Personnel:

- 1) shall maintain highest standards of Corporate Governance practices;
- 2) shall promote professionalism in the Company;
- 3) shall act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment;

- 4) shall not be involved 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;
- 5) shall not commit any offence involving moral turpitude;
- 6) shall exercise their duties with due and reasonable care, skill and diligence and shall exercise independent judgment;
- 7) shall not assign his/her office and any assignment so made shall be void.
- 8) shall not achieve or attempt to achieve any undue gain either to himself/herself or to relatives, partners, or associates and if found guilty of making any undue gain, he/she shall be liable to pay an amount equal to that gain to the Company;

**Avoiding Conflict of Interest:**

The Board of Directors and Senior Management Personnel shall not engage in any activity, business, or relationship, which may be in conflict with the interest of the Company or prejudicial to the Company's interest. They should avoid transacting company business with their relative or with a firm/company in which either they themselves or their relative are interested or plays any significant role and in case such related party transaction is unavoidable, it must be made only after proper and fullest disclosure to the Board.

**Outside Directorships / Disclosure of Interest:**

No Board Member and Senior Management Personnel shall serve as a Director of any Company that competes directly or indirectly with the Company unless previously unanimously agreed to by the Board of Directors.

The Directors shall promptly disclose at the time of their appointment and subsequently whenever there is a change, their interest in other companies and body corporates in compliance with applicable laws. The Board Members and Senior Management Personnel shall also promptly disclose their relationships with other individuals, firms or body corporate wherever such relationship may affect their independence of judgment while performing their duties and responsibilities towards the Company.

**Professional Engagement:**

The Board Members and the Senior Management Personnel may associate themselves with professional bodies to enrich their knowledge and also help in building the Company's brand. Further, such engagement must not result in dereliction of duty or in discrediting Company's reputation or abuse of Company's resources

**Gifts and Entertainment:**

The Board Members and Senior Management Personnel shall not accept gifts from persons or firms who deal with the Company, or are seeking to deal with the Company, where the gift is being made in order to influence the director's actions as a member of the Board, or where acceptance of the gift could create the appearance of a conflict of interest.

**Business Interests:**

If any Board Member and Senior Management Personnel is considering investment in the business of any competitor of the Company, he should ensure that these investments do not compromise on their responsibilities towards the Company. Before making investment in the business of the competitor, every Board Member and Senior Management Personnel shall obtain prior approval of the Board of Directors of the Company.

**Employment / Outside Employment:**

The Board Members and Senior Management Personnel are expected to devote their full time and attention to the business interests of the Company and are further prohibited from engaging in any activity prejudicial to the interests of the Company. Any simultaneous employment or Directorship with competitors of the Company, or any engagement in any activity thereby strengthening their position is considered to be against the business interests of the Company.

**Related Parties:**

The Board Members and Senior Management Personnel, before conducting business of the Company with a Related Party or a Relative and/or with a business in which a relative is associated in any significant role, shall promptly disclose their interest to the Board of Directors of the Company. For the sake of clarity, the term “Relative” shall mean “relative” as defined in Section 2(77) of the Companies Act, 2013.

**Use of Company Assets:**

The Board Members and Senior Management Personnel must not exploit the organizational resources for their own personal gain/monetary advantage. In the discharge of official duties, they must strive for effective and judicious use of resources entrusted to them. Resources include both: tangible assets like equipment and facilities etc. and intangible assets like information, software, or network with suppliers/customers, etc.

Each Board Member and Senior Management Personnel has the responsibility to protect Company assets and information. Improper or careless handling of assets and information could harm the Company's financial strength and reputation.

The Board Member and Senior Management Personnel must judiciously use the information technology facilities provided to them, more particularly every Board Member and Senior Management Personnel must note the following:

- E-Mail/Internet facility must not be used for personal gain or commercial use.
- Downloading or accessing questionable sites is not allowed.
- Frivolous use of email for transmitting non-work related messages, pictures, jokes, chatting, etc. is prohibited.

**Bribery and Corruption:**

Bribery/corruption is defined as receiving or offering of an undue reward from any third party. All Board Members and Senior Management Personnel must note that the Company

follows zero tolerance approach towards bribery and corruption. The Board Members and Senior Management Personnel must not make/receive any payment to/from anyone including any government/public servant for the purpose of obtaining or retaining business or for obtaining any favourable action. Bribing a public servant can attract severe criminal penal consequences both for the Company as well as for its Board Member and Senior Management Personnel responsible for bribing under the Prevention of Corruption Act, 1988.

**Wilful defaulter:**

A Board Member who holds whole time directorship in any of the Company's entities shall vacate his/her office in case his/her name appears in the list of Wilful Defaulter as published/disseminated by the Credit Information Company(ies) or such other appropriate notified body.

**Share Trading:**

The Board Members and Senior Management Personnel of the Company shall not indulge in trading in Company's securities on the basis of unpublished price sensitive information. All Board Members and Senior Management Personnel will comply with the prevention of insider trading guidelines as issued by SEBI.

**Privacy and Confidentiality:**

Company has a commitment to ensure the privacy of personal information they have about the Board Members and Senior Management Personnel and customers.

**Proprietary and Confidential Information:**

All Board Members and Senior Management Personnel must always ensure the confidentiality of proprietary and confidential information about the Company, its customers, suppliers or distributors that they obtain or create in connection with their activities for the Company, in accordance with the applicable law.

Every Board Member and Senior Management Personnel is obligated to protect the Company's proprietary and confidential information, even after he/she leaves the Company, and he/she must return all proprietary information in his/her possession upon leaving the Company.

Intellectual property of the Company such as trade secrets, patents, trademarks and copyrights, business research, new product plans, objectives and strategies, records, databases, salary and benefits data, employee(s) medical information, customer/employee(s)/supplier(s) lists and any unpublished financial or pricing information must be protected.

**Vigil Mechanism:**

Whistle blowing is a structured process, which encourages and facilitates every Board Member and Senior Management Personnel to report without fear, any wrongdoing,



unethical or improper practice, which may adversely impact the reputation and/or the financials of the Company, through an appropriate forum.

The Board Members and Senior Management Personnel are required to adhere to the Whistle Blower policy approved by the Board of Directors of the Company and can write to the Compliance Officer to report any wrongdoing under this policy.

#### **Duties of Independent Director:**

In addition to the requirements of complying with the 'Standards of ethical conduct', the Independent Directors shall:

- 1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- 2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;
- 3) strive to attend all meetings of the Board of Directors and of the Board committees of which he/she is a member;
- 4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- 5) strive to attend the general meetings of the Company;
- 6) where they have concerns about the running of the Company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- 7) keep themselves well informed about the Company and the external environment in which it operates;
- 8) not unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
- 10) ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- 11) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct;
- 12) acting within his/her authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- 13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or is required by law.

#### **Compliance With Applicable Laws & Company's Policies:**

Every person to whom the Code is applicable and others directly or indirectly associated with the Company shall comply with all applicable laws, rules, regulations and guidelines issued by the Government of India from time to time. Further they shall also comply with the various policies, guidelines and codes formulated by the Company in compliance with the Listing Regulations and other applicable provisions including the Company's policy on insider trading and procedures for fair disclosure.



**Amendments and Waiver of the Code:**

The Company is committed to continuously reviewing and updating its policies and procedures. However, any amendment or waiver of any provision of the Code must be approved by the Board of Directors of the Company and publicly disclosed as required by any applicable law or regulation and also on the Company's website, if any, together with details about the nature of the amendment or waiver.

**No rights created:**

The Code sets forth certain fundamental principles, ethics, values, policies and procedures that govern the Board Members and Senior Management Personnel in the conduct of the business of the Company. It is not intended to and does not create any rights in any employee, client, competitor, shareholder or any other person or entity.

**Placement of Code on Website:**

Pursuant to regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this Code and any amendment thereto shall be posted on the website of the Company.

**Acknowledgement of Receipt of the Code and Declaration for compliance with the Code:**

The Board Members and Senior Management Personnel shall affirm the compliance with the Code on an annual basis and shall sign a confirmation to that effect as per the format set out in Annexure II. The annual report of the Company shall carry a declaration signed by the

CEO/Managing Director of the Company stating that the members of Board and Senior Management have affirmed compliance with the Code.

**Review/Revision of the Code:**

If at any point a conflict of interpretation/information between the Code and any regulations, rules, guidelines, notification, clarifications, circulars, master circulars/directions issued by relevant authorities ("Regulatory Provisions") arises, then interpretation of the Regulatory Provisions shall prevail.

In case of any amendment(s) and/or clarification(s) to the Regulatory Provisions, the Code shall stand amended accordingly from the effective date specified as per the Regulatory Provisions. The Board of Directors reserve(s) the right to alter, modify, add, delete or amend any of the provisions of the Code.

**Annexure I**

**Code of Conduct for Board Members and Senior Management Personnel**

**Acknowledgement of Receipt of the Code of Conduct**

**To,  
The Company Secretary  
Krystal Integrated Services Limited**

I, \_\_\_\_\_, have received and read the Code of Conduct for Board Members and Senior Management Personnel of Krystal Integrated Services Limited ("the Code").

I have understood the provisions of the Code and agree to comply with the same.

Signature:

Name:

Designation:

Address:

Date:

Place:

**Annexure II**

**Code of Conduct for Board Members and Senior Management Personnel**

**Confirmation of Annual Compliance with the Code of the Company**

**To,  
The Company Secretary  
Krystal Integrated Services Limited**

I, \_\_\_\_\_, do hereby solemnly affirm that to the best of my knowledge and belief, I have fully complied with the provisions of the Code of Conduct for Board Members and Senior Management Personnel of Krystal Integrated Services Limited ("the Code") during the financial year ended March 31, \_\_\_\_\_.

Signature:

Name:

Designation:

Address:

Date:

Place:

## Code for Independent Directors

### SCHEDULE IV [Section 149(8)]

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

#### I. Guidelines of professional conduct:

##### An independent director shall:

- 1) uphold ethical standards of integrity and probity;
- 2) act objectively and constructively while exercising his duties;
- 3) exercise his responsibilities in a *bona fide* manner in the interest of the company;
- 4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- 5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- 6) not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- 7) refrain from any action that would lead to loss of his independence;
- 8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- 9) assist the company in implementing the best corporate governance practices.

#### II. Role and functions:

The independent Directors shall:

- 1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;

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

### **III. Duties :**

The independent Directors shall –

- 1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- 2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- 3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- 4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- 5) strive to attend the general meetings of the company;
- 6) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;

- 7) keep themselves well informed about the company and the external environment in which it operates;
- 8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- 10) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- 11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- 12) act within their authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- 13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

#### **IV. Manner of appointment:**

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

- a. the term of appointment;
  - b. the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
  - c. the fiduciary duties that come with such an appointment along with accompanying liabilities;
  - d. provision for Directors and Officers (*D and O*) insurance, if any;
  - e. the Code of Business Ethics that the company expects its Directors and employees to follow;
  - f. the list of actions that a director should not do while functioning as such in the company; and
  - g. the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- 5) The terms and conditions of appointment of independent Directors shall be open for inspection at the registered office of the company by any member during normal business hours.
  - 6) The terms and conditions of appointment of independent Directors shall also be posted on the company's website.

#### **V. Re-appointment:**

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

#### **VI. Resignation or removal:**

- 1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- 2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within three months from the date of such resignation or removal, as the case may be.
- 3) Where the company fulfils the requirement of independent Directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

#### **VII. Separate meetings:**

- 1) The independent Directors of the company shall hold at least one meeting in a financial year, without the attendance of non-independent Directors and members of management;
- 2) All the independent Directors of the company shall strive to be present at such meeting;
- 3) The meeting shall:
  - a. review the performance of non-independent Directors and the Board as a whole;

- b. review the performance of the Chairperson of the company, taking into account the views of executive Directors and non-executive Directors;
- c. assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**VIII. Evaluation mechanism:**

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