

## **DRAFT LETTER OF APPOINTMENT FOR INDEPENDENT DIRECTOR**

**Date :**

Name of Director(s) :  
DIN No. :  
Address :

We thank you for your confirmation to Winsome Textile Industries Limited (" the Company") that you meet "Independence" criteria as envisaged in Section 149(6) of the Companies Act, 2013 and clause 49 of the Listing Agreement and also for your consenting to hold as office a director of the Company.

Pursuant to your confirmation, we are pleased to confirm that upon the recommendations of Nomination and Remuneration Committee, the Board and the shareholders have approved your appointment as an Independent Director on the Board of the Company.

The terms of your appointment, as set out in this letter, are subject to the extant provisions of the applicable laws, including Companies Act, 2013 and Clause 49 of the Listing Agreement (as amended from time to time) and Articles of Association of the Company ("AOA").

### **1. Appointment.**

- (i) Your appointment will be for an initial term up to .....
- (ii) As an Independent Director you will not be liable to retire by rotation as per Companies Act, 2013.
- (iii) Re-appointment at the end of the Term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the shareholders. Your reappointment would be considered by the Board based on the outcome of the performance evaluation process and you continuing to meet the independence criteria.

The Board has constituted different Board Committees. The Board may reconstitute the composition of any/all Committee(s), from time to time or if so required as per applicable laws, and any such change shall be promptly communicated to you. In such an event you may also be required to serve on other Committees of the Board.

### **2. Status of your appointment**

- (i) You will not be an employee of the Company and this letter shall not constitute a contract of employment. You will be paid such remuneration by way of sitting fees for meeting of the Board and its Committees as may be decided by the Board.
- (ii) The sitting fees presently paid to the Independent Director(s) is Rs. 10,000/- per day of meeting of the Board or a Committee thereof.
- (iii) You will have no entitlement to any bonus during the appointment and no entitlement to

participate in any Employee Stock Option Scheme(ESOP) operated by the Company or any Group Company. Although currently, the Company does not have any such scheme.

### **3. Role/Functions, Duties and Responsibilities**

- A.** As a member of the Board, along with the other Directors, your major role/function, duties and responsibilities will be as hereunder for meeting the objectives of the Board:
- (i) You shall uphold the ethical standards of integrity and probity and shall act objectively.
  - (ii) You 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 interest of the Company.
  - (iii) You shall discharge your duties with due and reasonable care, skill diligence.
  - (iv) You shall not involve yourself in a situation in which you may have a direct or indirect confliction of interest with the interest of the Company.
  - (v) You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
  - (vi) You shall refrain from any action that could loss to your independence.
  - (vii) You shall not assign your office as Director and any assignments so made shall be void.
  - (viii) You shall act in accordance with the Company's Articles of Association as may be amended from time to time.
  - (ix) You shall ensure that the Company's Risk Management plan, Whistle Blower function are functioning properly and report concerns about unethical, illegal or suspected fraud, violation of Company's Code of Conduct.
  - (x) Responsibilities of the Board as outlined in the Corporate Governance requirements as prescribed by Stock Exchanges under Clause 49 of the Listing Agreement.
  - (xi) Accountability under Director's Responsibility Statement.
  - (xii) To review the Company's Strategy, Annual financial plan and monitor's the Company performance.
  - (xiii) Overseeing the maintenance of high standards of Winsome Textile Industries Limited values and ethical conduct of business.
  - (xiv) You should evaluate the performance of the management in meeting agreed goals and objectives.
  - (xv) You should strive to attend every Board Meeting and committee meeting, in which you are a Chairman or a member.
  - (xvi) You should keep your self update about the Company and external environment in which it operates.
- B.** You shall abide by the 'Code for Independent Director' as outlined in Scheduled IV of the Companies Act, 2013, and duties of directors as provided in the Companies Act, 2013 and in Clause 49 of the Listing Agreement.

### **4. Time Commitment**

As a Non-Executive Independent Director you are expected to bring objectivity and independence of view to the Board's discussion, design making and to provide help/support to the Board with effective leadership in relation to the Company's strategy, performance, and risk management as well as ensuring high standards of financial probity financial reporting and corporate governance. The Board generally meets four times in a year. Besides, there are other Committee meetings like Audit

Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee are ordinarily convened as per applicable requirements.

You will be expected to devote your valuable time to Board and Board Committees in which you are members appropriate to your skills, capabilities etc. Ordinarily, all meetings are held in Chandigarh except the Annual General Meeting.

By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectation from your role to the satisfaction of the Board.

## **5. Remuneration & Reimbursement of Expenses**

As an Independent Director you shall be paid fees for attending the meetings of the Board of Directors and the Committees of which you are a member. The sitting fees presently paid to the Independent Director(s) is Rs. 10,000/- per meeting of the Board or a Committee thereof.

In addition to the remuneration mentioned above, the Company will, for the period of your appointment, reimburse you for travel, hotel and other incidental expenses incurred by you in attending Board and/or Committees Meetings.

## **6. Code of Conduct**

As an Independent Director of the Company, you agree to comply with the Code of Conduct of Winsome Textile Industries Limited. Your obligation of confidentiality shall survive termination or cessation of your directorship with the Company.

We would also like to draw your attention to the applicability of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 regarding prohibiting, disclosure or use of unpublished price sensitive information. Consequently you should avoid making any statement(s) or performing any transaction(s) that might risk a breach of these requirement(s) without prior clearance from the Chairman or the Company Secretary. Additionally, you shall not participate in any business activity which might impede the application of your independent judgment in the best interest of the Company.

## **7. Insurance**

Presently, Company doesn't have any Directors' and Officers' (D & O policy) liability insurance policy, however, if in future Company opt for taking such insurance policy, it will be endeavor of the Company to cover you for the full term of your appointment.

## **8. Confidentiality**

All information acquired during your appointment is confidential to the Company and should not be released, either during your appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman unless required by law or by the rules of any stock exchange or regulatory body.

## **9. Training & Development**

The Company may, if so required, may conduct formal induction program, appropriate trainings programs, management workshops for its Directors, to upgrade the skills of Board Members and to build working relationship among the Board Members.

#### **10. Performance Appraisal / Evaluation Process**

As a member of the Board, your performance as well as the performance of the entire Board and its Committees shall be evaluated annually. Evaluation of each director shall be done by all the other directors. The criteria for evaluation shall be determined by the Nomination and Remuneration Committee. An indicative list of factors that may be evaluated as part of this exercise may be participation and contribution by a Director, Commitment (include guidance provided to senior management outside of Board / Committee Meetings), Effective deployment of knowledge and expertise, Effective management of relationship with stakeholders, Integrity and maintenance of confidentiality, Independence of behaviour and judgment, and Impact and influences.

#### **12. Disclosures, other directorships and Business Interest**

During the Term, you agree to promptly notify the Company of any change in your directorships and provide such other disclosure and information as may be required under the applicable laws. You also agree that upon becoming aware of any potential conflict of interest with your position as Independent Director of the Company, you shall promptly disclose the same to the Chairman and the Company Secretary.

During your Term, you agree to promptly provide a declaration under the provision of Section 149 of the Companies Act, 2013 upon any change in circumstances which may affect your status as an Independent Director.

#### **13. Changes of personal details**

During the Term, you shall promptly intimate to the Company Secretary and the Registrar of the Companies in the manner prescribed under Companies Act, 2013 of any change in address or other contact and personal details provided to the Company.

#### **14. Termination**

You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice on the Board stating the reasons for resignation. In terms of provisions of the Companies Act, 2013, you are required to file a copy of your resignation letter to the Registrar of Companies (ROC) Himachal Pradesh (H.P.).

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

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

Upon termination or upon your resignation for any reason, duly intimated to the Company, you will not be entitled to any compensation for loss of office.

**General**

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

If you are willing to accept these terms of appointment relating to your appointment as a Non Executive Independent Director of the Company, Kindly confirm your acceptance of these terms by signing and returning to us the enclosed copy of this letter.

Yours sincerely

**For and on behalf of Winsome Textile Industries Limited**

(.....)

**Chairman**

I have read and agree to the above terms regarding my appointment as an Independent Director of Winsome Textile Industries Ltd.

(.....)

**Name, DIN & Signature of Director**