

LETTER OF APPOINTMENT FOR INDEPENDENT DIRECTOR

Date:

To
(Name)
(Address)

Dear Sir,

Sub: Appointment Letter

We are pleased to inform you that, based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, the shareholders at their meeting held on _____ have approved your appointment as a "Non-Executive Independent Director" of the Company, as envisaged under Section 149, Schedule IV and other applicable provisions of the Companies Act, 2013 read with the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

The terms and conditions of your appointment are as follows:

1. The term of appointment:

Your appointment as a Non-Executive Independent Director is for a period of ___ years commencing from _____ to _____ during which period you will not be subject to retirement by rotation. Your tenure will also be subject to you continuing to meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 read with Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. The expectation of the Board from the Independent Director

- a. *Time Commitment*:- The Company anticipates a commitment of sufficient time and attention as necessary in order to perform your duties under the appointment.
- b. *Strategy*:- The Company expects that you will constructively contribute to the development of strategy.
- c. *Performance*:- You shall scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.
- d. *Risk*:- You should satisfy yourself that the financial information is accurate, and that financial controls and systems of risk management are robust and defensible.
- e. *Confidentiality*:- You must apply the highest standards of confidentiality and not disclose to any person or Company (whether during the course of the appointment or at any time after its termination) any confidential information concerning the Company and any group Companies with which you come into contact by virtue of your position as a Non-Executive Independent Director of the Company.

3. Appointment in Board-level committees and its tasks

During your tenure of appointment, you may be asked to serve on one or more of the board Committees and you will be provided with copies of the terms of reference for each of those committees.

4. The fiduciary duties that come with such appointment along with accompanying liabilities:

During your tenure as an independent director, you shall

- a. submit a declaration in the beginning of every financial year under section 149(7) of the Companies Act, 2013 ("the Act") read with Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) during your tenure confirming that you meet the criteria of independence and that you are not aware of any circumstance or situation which exists or may be reasonably anticipated, that could impair or impact your ability to discharge your duties with an objective independent judgement and without any external influence.
- b. promptly inform the Board whenever there is any change in the circumstances which may affect your status as an Independent Director.
- c. not breach any of the terms and conditions pertaining to Independent Directors as mentioned in the Companies Act, 2013 and / or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any applicable laws for the time being in force.
- d. ensure that the number of companies in which you hold the Directorship / Committee Membership / Chairmanship shall not exceed the limits stipulated under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- e. promptly inform the board of any change in your Directorship / Committee Membership of other companies.
- f. act diligently and 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. Yes
- g. display utmost alacrity in approving financial statements.
- h. disclose interest in any of the contracts or arrangements proposed to be entered by the Company and should disclose the interest on periodical basis as required under law.
- i. strive to attend all meetings of the Board of Directors and of the Board committees in which you are a member and the general meetings of the company.
- j. participate constructively and actively in the committees of the Board in which you are the chairman or member.
- k. not compromise or allow to compromise "Independence".

- l. not misuse the assets, property, information or any other matter that may be in possession, in the capacity as a Director of the Company.
- m. ensure compliance of all the laws of the land.
- n. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company.
- o. raise your concerns, if any, 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 your concerns are recorded in the minutes of the Board meeting.
- p. 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.
- q. keep yourself well informed about the company and the external environment in which it operates.
- r. not unfairly obstruct the functioning of an otherwise proper Board or committee of the Board
- s. 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.
- t. report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy.
- u. act within your authority, assist in protecting the legitimate interests of the company, shareholders and its employees.
- v. 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.

The above list is only indicative and not exhaustive.

5. The Code of Business Ethics that the Company expects its directors and employees to follow:

The Company has formulated a detailed Code of Conduct for the Board of Directors and Senior employees of the company. A copy of the same is enclosed as Annexure-I. You shall annually affirm, in writing, the compliance with the code.

The Independent Director shall abide by the guidelines of professional conduct, role, function and duties as an Independent Director as provided in schedule IV of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other law for the time being in force.

The Independent Director should not indulge in any activity that is detrimental to the Company and its stakeholders directly or indirectly at any point of time.

6. The list of actions that a director should not do while functioning as such in the Company

You shall not

- i. misuse the information in your possession for personal gains.
- ii. engage in any way (both directly or indirectly) with the competitors.
- iii. in any way indulge in activities which may be construed as conflict of interest.
- iv. break any law of the land or indulge or provoke the co-directors or employees to do the same.
- v. engage in any activity which is against the interest of the Company.

The above list is only indicative and not exhaustive.

7. Prohibition on Insider Trading

Independent directors will strictly follow the Company's "Code of Conduct for listed companies to regulate monitor and report trading by designated persons" on insider information and the requirements under the Companies Act, 2013 and applicable SEBI Regulations which inter-alia requires that unpublished price sensitive information is not used or transmitted and maintained securely. You shall not make any statements that might risk a breach of these requirements without obtaining prior clearance as stipulated under the SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended).

8. Remuneration

The remuneration policy for non-whole-time directors, including the Independent Directors, is reviewed by the Board or committee thereof. Presently all the non-executive directors are remunerated by way of directors fees or sitting fees as may be determined from time to time.

9. Independent Professional Advice

There may be occasions when you consider that you need professional advice in furtherance of your duties as a Director and it will be appropriate for you to consult independent advisors at the Company's expense. The Company will reimburse the full cost of expenditure incurred in accordance with the Company's policy.

10. Independent Directors Meeting

The Independent Directors of the company shall hold at least one separate meeting in a year without the attendance of non-independent directors and members of management in order to perform their duties as envisaged under Clause VII of Schedule IV of the Act read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

The Independent Director of the company shall strive to be present at such meeting.

11. Evaluation:

The evaluation of the performance of the Independent Director shall be carried out in compliance with the provisions of the Act and relevant rules thereof read with

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

The resignation and removal of Independent Director shall be in the same manner as provided under the Act and/or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

12. Miscellaneous

- (i) This letter constitutes the entire terms and conditions of your appointment, and no waiver or modification shall be valid, unless made in writing and signed by you and the company.
- (ii) Your engagement with the company is governed by and shall be construed in accordance with the Indian laws and your engagement shall be subject to the jurisdiction to the courts of India.
- (iii) During the tenure of your office, the number of companies in which you hold office as a director, or a chairman or committee members shall not exceed the limits stipulated under the Act.

If these terms of appointment are acceptable to you, please confirm your acceptance by signing and returning the enclosed copy of this letter. We thank you for your continued support and commitment to the Company.

Yours Sincerely,

FOR LAMBODHARA TEXTILES LIMITED

Place:

Date:

ACCEPTANCE OF APPOINTMENT

I have read and understood the terms of my appointment as an Independent Director of the Company, and I hereby affirm my acceptance to the same.

Place:

Date: