
Terms & Conditions of Appointment of Independent Director

Amended by Board : 07.08.2018

The Terms and Condition of Appointment of Independent Directors (“ID”) as framed by the Board of Directors (“the Board”) as per the provision of Listing Agreement with BSE Limited. In the year 2015, The Securities and Exchange Board of India (SEBI) has introduced a new regulation named as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 {SEBI (LODR) Regulations} and required all the listed entities to comply the provisions of said regulations instead of the provisions of Listing Agreement. Accordingly, The Board in its meeting held on 07.08.2018 has amended term and condition of appointment of Independent Directors as per the provisions SEBI (LODR) Regulations.

The Terms and Condition of Appointment of Independent Directors has been amended and adopted in the meeting of Board of Directors held on 07.08.2018 by H.P. COTTON TEXTILE MILLS LIMITED.

TERMS AND CONDITION OF APPOINTMENT

Pursuant to your confirmation, we are pleased to confirm that upon the recommendation of the Nominations and Remuneration Committee (“NRC”) of the Board of Directors, the Board and the shareholders have approved your appointment as an Independent Director on the Board of the Company.

This letter sets out the terms of your appointment as an Independent Director. Your relationship with the Company will be that of an office-holder and not one of contract for employment in the Company.

1. APPOINTMENT

As an Independent Director you will not be liable to retire by rotation.

Re-appointment at the end of the term shall be based on the recommendation of the NRC and subject to the approval of the Board and the shareholders. Your re-appointment would be considered by the Board based on the outcome of the performance evaluation process and you continuing to meet the independence criteria.

2. ROLE, DUTIES AND RESPONSIBILITIES

A. As member of the Board you along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:

- Requirements under the Companies Act, 2013,
- “Obligation with respect to Independent Director” as outlined in the Corporate Governance requirements as prescribed by Stock Exchanges under Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Accountability under the Director’s Responsibility Statement,

B. You will also be responsible for providing guidance in the area of your expertise.

3. COMMITTEES

The Board may, if it deems fit, invite you for being appointed on one or more existing Board Committees or any such Committee that is set up in the future. Your appointment on such Committee(s) will be subject to the applicable regulations.

4. TIME COMMITMENT

- 4.1 As a Non-Executive Director, you are expected to bring objectivity and independence of view to the Board's discussions and to help provide 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 and corporate governance.
- 4.2 You will be expected to attend the Board, Committees of the Board to which you may be appointed and Shareholders meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively.
- 4.3 By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.

5. STATUS OF APPOINTMENT

- 5.1 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 meetings of the Board and its Committees as may be decided by the Board and approved by the Shareholders from time to time.
- 5.2 The sitting fees presently paid to the Non-Executive Independent Director is Rs. 10,000/- per meeting of the Board and Rs. 5,000/- per meeting Committee Meeting thereof and may be revised from time to time as per the recommendation of the NRC and the Board subject to the maximum sitting fees prescribed in the Companies Act, 2013.

6. CONFLICT OF INTEREST

It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to your appointment commencing, you are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment.

7. CONFIDENTIALITY

All information in relation to the Company acquired by ID during the appointment and tenure as an ID is confidential and should not be disclosed to third parties unless required by law.

ID is subject to and bound by the prohibition and restrictions against insider trading and disclosure of unpublished price sensitive information, as prescribed under the Act and the regulations issued by the Securities and Exchange Board of India ("SEBI"). ID would have to strictly abide by the Code of Conduct for Prevention of Insider Trading of the Company under SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended or replaced from time to time).

8. EVALUATION

The Company has adopted a policy on Board Evaluation. The policy provides for evaluation of the Board, the Committees of the Board and Individual Directors, including the Chairman of the Board. As per the Policy, the Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis. Your appointment and re-appointment on the Board shall be subject to the outcome of the yearly evaluation process.

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 advisers at the Company's expense. The Company will reimburse the full cost of expenditure incurred in accordance with the Company's policy.

10. DISCLOSURE OF INTEREST

The Company must include in its Annual Accounts a note of any material interest that a Director may have in any transaction or arrangement that the Company has entered into. Such interest should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record your interest appropriately and our records are updated. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.

11. TERMINATION

- a. 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.
- b. 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.
- c. 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.

12. GOVERNING LAW

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