

## **APPOINTMENT LETTER**

**Dear Ms. Anjali Seth,**

We are writing to confirm our decision to appoint you on the Board of Directors of Nirlon Limited (hereinafter referred to as “**the Company**” with effect from May 13, 2019 for a period of five (5) years as an Independent Director not liable to retire by rotation. This letter of appointment set out the terms and conditions covering your appointment as follows:

### **1. Appointment**

**1.1** You will be appointed as a Non-Executive Independent Director on the Board of Directors of Nirlon Limited for a term of five (5) years effective from May 13, 2019, not liable to retire by rotation. Your appointment is subject to approval by Shareholders by way of an Ordinary Resolution pursuant to the provisions of Sections 149, 152, 161 and Schedule IV and all other applicable provisions of the Companies Act, 2013 (**ACT**) , and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification / s or re-enactment thereof for the time being on force) and other applicable Regulations including the Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements (Amendment) Regulations), 2018 (**SEBI LODR**) as may be amended from time to time.

**1.2** The term Independent Director should be constructed as defined under the ACT and the SEBI LODR.

**1.3** The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which is consistent with the ACT and the SEBI LODR. Accordingly, you as the Independent Director will serve up to May 12, 2024 on the Board of the Company. The Company is at liberty to disengage Non

Executive Independent Director earlier subject to relevant provisions of the ACT.

## **2. Committees**

The Board of Directors (**the Board**) may, if it deems fit, invite you for being appointed on one or more Committees of the Board. Your appointment on such Committee(s) will be subject to the applicable regulations.

## **3. Time Commitment**

**3.1** 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. The Board meets at least four times in a year. The Audit Committee also meets at least four times a year. Besides, there are other Committee meetings like Nomination and Remuneration Committee, Stakeholder Relationship Committee, Corporate Social Responsibility Committee and such other committees as may be constituted by the Board. You will be expected to attend Board, Board constituted Committees to which you may be appointed and general body meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively. Ordinarily, all meetings are held in Mumbai.

**3.2** 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.

## **4. Role and Duties**

Your role and duties will be those normally required of a Non-Executive Independent Director under the ACT and the SEBI LODR. There are certain duties prescribed for all Directors, both

Executive and Non-Executive, which are fiduciary in nature and are as under:

- i. You shall act in accordance with the Company's Articles of Association;
- 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, its employees, shareholders, the community and for protection of environment;
- iii. You shall discharge your duties with due and reasonable care, skill and diligence;
- iv. You shall not involve yourself 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. Please refer to clause 7 for full explanation on conflict of interest;
- v. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates; and
- vi. You shall not assign your office as Director and any assignments so made shall be void.

In addition to the above requirements applicable to all Directors, the role of the Non-Executive Director has the following key elements:

**Strategy:** Non-Executive Directors should constructively challenge and help develop proposals on strategy;

**Performance:** Non-Executive Directors should scrutinise the performance of management in meeting agreed goals and objectives;

**Risk:** Non-Executive Directors should satisfy themselves on the integrity of financial information and that financial

controls and systems of risk management are robust and defensible;

**People:** Non-Executive Directors are responsible for determining appropriate levels of remuneration of Executive Directors, Key Managerial Personnel and Senior Management and have a role in appointing, and where necessary, recommending removing Executive Directors, Key Managerial Personnel and Senior Management;

**Reporting:** Non-Executive Directors take responsibility for the processes to accurately report on business performance and the financial position of the Company; and

**Compliance:** Non-Executive Directors should keep governance and compliance with the applicable legislation and regulations under review and the conformity of the Company's practices to accepted norms.

## **5. Status of Appointment**

You will not be an employee of the Company and this letter shall not constitute a contract of employment. You will be paid a remuneration of Rupees Eighteen Lakh (Rs.18 lakh) per annum for meetings of the Board and its Committees and any other purpose as per the Act, or as may be agreed and/or decided by the Company and yourself.

## **6. Reimbursement of Expenses**

In addition to the remuneration described in paragraph 5 the Company will, for the period of your appointment, reimburse you for travel, hotel and other incidental expenses incurred by you in the performance of your role and duties.

## **7. Conflict of Interest**

**7.1** 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.

**7.2** In the event that your circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgement that you are independent, this should be disclosed to both the Chairman and the Secretary of the Company.

## **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. On reasonable request, you shall surrender any documents and other materials made available to you by the Company.

Your attention is also drawn to the requirements under the applicable regulations and the Company's Insider Trading Code which concern the disclosure of unpublished price sensitive information and dealing in the securities of the Company. Consequently you should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Chairman or the Secretary of the Company.

## **9. Various Code of Conducts and Internal Code of Conduct of Prohibition of Insider Trading**

You are required to abide by the Code of Conduct for Directors and Designated Employees, Independent Directors and Internal Code of Conduct on Prohibition of Insider Trading as issued and amended by the Company from time to time.

## **10. Evaluation**

The Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis. Subject to the provisions of the ACT and SEBI LODR, your appointment and re appointment on the Board shall be subject to the outcome of the yearly evaluation process.

## **11. Insurance**

Nirlon Ltd. has taken Directors' and Officers' liability insurance and it is intended that Nirlon Ltd. will assume and maintain such cover for the full term of your appointment.

## **12. 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.

## **13. 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 not 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 as per the ACT.

**14. 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 in accordance with provisions of the ACT, the Articles of Association of the Company and the SEBI LODR, from time to time in force. You will not be entitled to any compensation for termination at any time.

**15. Governing Law**

These terms and conditions are governed by and will be interpreted in accordance with Indian law and your engagement shall be subject to the exclusive jurisdiction of Mumbai Courts.

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

Thanking you,

Yours sincerely,

**For and on behalf of Nirlon Limited**

Rahul V. Sagar

**Executive Director & C.E.O.**

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

Signed .....

Dated .....