

Date _____

To,

Subject- Letter of appointment to Independent Director

We are pleased to inform you that you have been appointed as Independent Non-Executive Director on the Board of Directors of Salora International Ltd for a term of five years with effect from September 29th, 2014 to September 28th, 2019 as per the provisions of Section 149 of the Companies Act, 2013(hereinafter called as “Act”) and the listing agreement entered by the Company with Stock Exchanges.

This letter of appointment sets out the terms and conditions of your appointment which are as follows:

Tenure of Appointment

Your appointment of as Independent Non-Executive Director is for a term of Five years with effect from 29th September, 2014 to 28th September, 2019. This tenure is subject to the condition that you continue to meet the criteria for being an Independent Director as given under the provisions of the Act and the listing agreement. Your appointment is also subject to the maximum permissible Directorships that one can hold as per the provisions of the Act and the listing agreement.

Criteria of Appointment

Company expects that you will remain qualified as 'independent' during your tenure in the Company as the Independent Non-Executive Director and you will provide periodic declaration as to the interest in the Company that may conflict of your independence immediately when you come to know to the effect as required under the Terms & Conditions mentioned here, Salora Code of Conduct, Act and the Listing Agreement. You will be categorized as “Independent Director” in the annual report and other documents and publications of the Company. If circumstances change and you believe that, it may not be possible for you to remain independent, you should discuss this with the Chairman as soon as practicable.

Role on the Board

You are expected to provide your expertise, experience and valuable inputs to the Company’s business policies, planning, strategies, management and corporate governance. You should allocate requisite time for Board and committee meetings for proper participation in the Company’s management. You may be invited for being appointed on one or more existing

committees of Board or any such committee that may be set up in future. Your appointment on such committee will be subject to the applicable regulations.

Memberships of other Boards

It is expected that you will not serve on the boards and or their Committees of competing companies due to possible conflicting interest. However, if you intend to join the boards of competing companies, you can do so after seeking prior approval of the Company's Board.

Duties and Liabilities

Your role and duties will be those normally required of a Non-Executive Independent Director under the Act and the listing agreement. There are certain duties prescribed for all Directors, both Executive and Non-Executive, in align with Section 166 of the Companies Act, 2013 which are fiduciary in nature and are as under:

- a. you shall act in accordance with the Company's Articles of Association.
- b. 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.
- c. you shall discharge your duties with due and reasonable care, skill and diligence.
- d. you shall not involve themselves 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.
- e. you shall not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners or associates.
- f. you shall not assign their office as Director and any assignments so made shall be void.
- g. you shall follow the Salora Code of Conduct for Board of Directors.
- h. you shall follow the highest standards of confidentiality. You shall not disclose to any person or company (either during the course of the tenure or at any time after resignation), any confidential information concerning the Company or any of its Group Company which they acquire by virtue of their position as a Director, except as permitted by law or with prior clearance from the Chairman.

The laws and regulations that currently govern the duties and liabilities of an Independent Director are the Act (inducing rules thereunder) and the listing agreement. Apart from other duties, you are specifically required to follow "the code for the Independent Director" as per Schedule IV of the Companies Act, 2013 **attached to this letter as Annexure A**. However, Company would always help you to familiarize them with the duties and liabilities of an independent director.

Further, you are required to make disclosures about the possible conflicting interest that may harm your independence as and when required as per the requirements of the Act and

listing agreement.

As per Section 149 of the Act, you will be held responsible, only in respect of such acts of omission or commission by a company which had occurred in your knowledge, attributable through Board processes, and with your consent or connivance or where you had not acted diligently.

Performance Evaluation

Performance evaluation of each director shall be done by the Board of Directors annually or as and when required to do so, without participation of director being evaluated. Each Director will participate in reviewing the performance of other directors. Your appointment or re-appointment on the Board shall be subject to the outcome of the evaluation process.

Prohibition on Insider Trading

Independent Directors will follow the Salora Code of Conduct and the requirements given under the Act and relevant SEBI Regulations for Prevention of Insider Trading. You should not make any statements or provide information to any person that may lead to non-compliance of these legal provisions except as permitted by law.

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 entitled to remuneration / sitting fees for attending Board meetings or committee meetings either personally or through Video Conference or other audio visual means or for any other purpose whatsoever as may be decided by the Board of Directors as per applicable provisions of laws for the time being in force and in accordance with the criteria, as approved by the Board of Directors on the recommendation by the Nomination and Remuneration Committee, within the overall limits approved by the shareholders and the applicable legal provisions. You may also be paid remuneration by commission as may be approved by the Board and the Shareholders from time to time.

The remuneration and fee payable shall be subject to applicable tax deduction at source. In addition to the above you will be entitled to reimbursement of all expenses for participation in the Board and other meetings.

Resignation or Removal

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.

You may resign from your position at any time and in this regard, it is expected from you to serve a reasonable written notice on the Board.

Continuation of your appointment is contingent on getting re-elected by the shareholders in

accordance with provisions of Act, listing agreement 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 them 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.

General Terms of Reference

All the terms as mentioned above including your appointment, remuneration, professional conduct, role, duties and liabilities and evaluation shall be governed by the Act and rules made thereunder and the listing agreement, as amended from time to time.

Your appointment and any non-contractual obligations arising out or in connection with your appointment shall be governed by, and shall be construed in accordance with the laws of India and subject to the exclusive Jurisdiction of the Courts of India.

Yours sincerely,
For **Salora International Limited**

GOPAL SITARAM JIWARAJKA
(Chairman & Managing Director)

AGREE AND ACCEPT

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

Signed.....

Name :

DIN:

Address:

Date:

Place:

***this is a model letter of appointment and is subject to amendment/ modification**

Annexure (A)

SCHEDULE IV

[See section 149(7)]

CODE FOR INDEPENDENT DIRECTORS

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) acting within his 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 a period of not more than one hundred and eighty days 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 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.