

## **Sub: Terms & Condition of Appointment of Independent Director**

Pursuant to your confirmation, we are pleased to confirm that upon the recommendation of the Nominations Committee, 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 Nominations Committee 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,
- “Responsibilities of the Board” as outlined in the Corporate Governance requirements as prescribed by Stock Exchanges under Clause 49 of the Listing Agreement,
- Accountability under the Director’s Responsibility Statement,

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

#### **H.P. Cotton Textile Mills Limited**

(A Government of India recognised Star Export House)

#### **Regd. Office & Works:**

15 K.M. Stone, Delhi Road, V.P.O. Mayar, Hisar - 125 044, Haryana, India  
Tel: 01662 - 261425/26/27 | Fax: 01662 - 261417  
Email: [hisar@hpthreads.com](mailto:hisar@hpthreads.com)  
CIN : L18101HR1981PLC012274

#### **New Delhi Office**

1E/12, Jhandewalan Extension, 4th Floor, New Delhi - 110 055, India  
Tel: +91(0) 11 23636663/64, 41540471 Fax: +91 (0) 11 23541076, 23610076  
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### 3. Time Commitment

Considering the nature of the role of a director, it is difficult for a company to lay down specific parameters on time commitment. You agree to devote such time as is prudent and necessary for the proper performance of your role, duties and responsibilities as an Independent Director.

### 4. Remuneration

As an Independent Director you shall be paid sitting fees for attending the meetings of the Board and the Committees of which you are a member.

The sitting fees payable to you according to decision taken by member of Board and Committee.

In addition to the sitting fees, profit related commission may also be payable to you. In determining the amount of this commission, the Remuneration Committee may consider various factors as disclosed in the remuneration policy forming part of the Board's report. An indicative list of the factors that may be considered are as follows:

- Attendance at Board meetings,
- Attendance at Board Committee meetings,
- Chairmanship of the Board,
- Chairmanship of Board Committees,
- Contribution at Board and Committee meetings,
- Guidance and support provided to senior management of the Company outside of Board meetings,
- Industry practices,
- Performance evaluation, and
- Performance of the Company.

Further, the Company may pay or reimburse to you such fair and reasonable expenditure, as may have been incurred by you while performing your role as an Independent Director of the Company.

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This could include reimbursement of expenditure incurred by you for attending Board/ Committee meetings, Annual General Meetings, Extraordinary General Meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the Company for Directors) and in obtaining, subject to prior consultation with the Board, professional advice from independent advisors in the furtherance of your duties as an Independent Director.

## 5. Disclosures, other directorships and business interests

During the Term, you agree to promptly notify the Company of any change in your directorships, and provide such other disclosures 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. Please confirm that as on date of this letter, you have no such conflict of interest issues with your existing directorships.

During your Term, you agree to promptly provide a declaration under Section 149(7) of the 2013 Act, upon any change in circumstances which may affect your status as an Independent Director.

## 6. Changes of personal details

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

## 7. Termination

Your directorship on the Board of the Company shall terminate or cease in accordance with law.

You may resign from the directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation. The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by you in the notice, whichever is later.

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If at any stage during the Term, there is a change that may affect your status as an Independent Director as envisaged in Section 149(6) of the 2013 Act or, if applicable, you fail to meet the criteria for “independence” under the provisions of Clause 49 of the Listing Agreement, you agree to promptly submit your resignation to the Company with effect from the date of such change.

## 8. Cooperation

In the event of any claim or litigation against the Company, based upon any alleged conduct, act or omission on your part during your Term, you agree to render all reasonable assistance and cooperation to the Company and provide such information and documents as are necessary and reasonably requested by the Company or its counsel.

## 9. Miscellaneous

- This letter represents the entire understanding, and constitutes the whole agreement, in relation to your appointment and supersedes any previous agreement between yourself and the Company with respect thereto and, without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom.
- As per Clause 49 of the Listing Agreement, if applicable, this letter along with your detailed profile shall be disclosed on the website of the Company and the relevant stock exchange.

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