

Terms and conditions of appointment of Independent Directors of the Company in accordance with the requirements of Schedule IV to the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

1. Appointment

The appointment will commence from their effective date of appointment for the period of 5 years or the Director attaining the age of 75 years, whichever is earlier (“Term”). The Company may disengage Independent Directors prior to completion of the Term subject to compliance of relevant provisions of the Act.

As Independent Directors, they will not be liable to retire by rotation.

2. Committees:

- 2.1. During the Appointment, the Independent Director may be required to serve on one or more of the committees of the Board, i.e. Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders’ Relationship Committee or such other Committees, as the Board may decide.
- 2.2. The Independent Director is an independent non-executive director and will be identified as such in the annual report and other documentation of the Company. If circumstances change, and he/she believes that his/her independence will be in doubt, Independent Director should discuss the same with the Chairman of the Company as soon as practicable.

3. Duties and Liabilities:

- 3.1. The Independent Director will perform his/her fiduciary duties in a responsible manner and his/her general legal responsibilities to the Company will be at par with a non-executive director.
- 3.2. The Independent Director shall act in accordance with the Articles of Association of the Company and while discharging his/her duties, comply with the requirements of Section 166 and Schedule IV to the Companies Act, 2013 (“the Act”).
- 3.3. The Independent Director will be held liable only in respect of such acts of omission or commission by the Company which have occurred with his/her knowledge, attributable through Board processes, and with his/her consent or where Independent Director have not acted diligently.

4. Code for Independent Directors:

- 4.1. The Company has relied on the declaration of the Independent Director that he / she meets the criteria of independence as provided in Section 149(6) of the Act as also in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).
- 4.2. The Independent Director will be required to abide by the guidelines as to professional conduct for independent directors as set out in Section 149(8) read with Schedule IV to the Act.
- 4.3. The Independent Director will be required to comply with applicable provisions of any code of conduct framed by the Board for all Board members and Senior Management of the Company under the Listing Regulations.

5. Restrictions:

- 5.1. Save and except Directorships currently held by the Independent Director, during the term of Appointment, the Independent Directors are expected not to take up directorship in any company (whether in India or abroad) engaged in the same or similar businesses as that of the Company or in a company, business or undertaking of which competes or is likely to compete with the Company or which could otherwise potentially give rise to a conflict with his/her duties with the Company as an independent director. In the event that the Independent Director becomes aware of any potential conflicts of interest, or in case of doubt, he / she should consult the Chairman of the Company as soon as practicable.
- 5.2. During the term of Appointment, an Independent Director shall not serve as (a) an independent director in more than the prescribed number of companies and (b) a committee member of more than the prescribed number of committees including chairmanship of such committees.
- 5.3. During the term of appointment, Independent Director shall not indulge in forward dealings in securities of the Company which is prohibited under the Act. Directors are prohibited from dealing in the Company’s securities when the trading window is closed. They are expected to comply with the Company’s code for securities dealing as well as with the concerned provisions of the Insider Trading Laws and Regulations.
- 5.4. During the term of Appointment, (a) Independent Director will not enter into any agreement for himself/herself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company; and (b) Independent Director will not enter into any such agreement referred to in (a) above without obtaining the prior approval

from the Board of Directors as well as public shareholders of the Company.

6. Time Commitment:

While accepting the appointment, the Independent Director confirms that he / she will be able to allocate sufficient time to perform his/her duties as a director and attend meetings of the Board or any committee thereof. In addition to such attendances, Independent Director will be expected to devote appropriate preparation time ahead of each meeting.

7. Training and Development:

- 7.1. The Independent Director will be invited to attend ongoing training and familiarization sessions, including site visits, as and when conducted for Directors.
- 7.2. The Board members are provided with necessary documents / brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices.
- 7.3. Periodic presentations are made at the Board and Committee meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved.
- 7.4. Monthly / Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to Directors.

8. Evaluation Process:

The performance of individual directors shall be evaluated by the entire Board, excluding the director being evaluated, on an annual basis.

9. Remuneration:

As Independent Directors, they shall be paid sitting fees for attending the meetings of the Board and the Committees of which they are members. The sitting fees for attending each meeting of the Board and its Committees would be as determined by the Board from time to time.

Further, the Company may pay or reimburse to the Director such expenditure, as may have been incurred by them while performing their role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by them for accommodation, travel and any out of pocket expenses for attending Board/ Committee meetings, General Meetings, site visits, induction and training (organized by the Company

for Directors) and in obtaining, subject to the expense being reasonable, professional advice from independent advisors in the furtherance of their duties as Independent Directors.

10. Confidentiality:

The Independent Director agrees that both during and after the term of Appointment, Independent Directors will not use for his/her own, or for another's benefit, or disclose or permit the disclosure of any confidential information relating to the Company, or any subsidiary or any group or associate companies of the Company, which he/she may acquire by virtue of his/her position as an independent director, including without limitation, any information about the deliberations of the Board. The restriction shall cease to apply to any confidential information which may (other than by reason of the director's breach of this term), become available to the public generally.

11. Insurance:

The Company will take an appropriate Directors' and Officers' Liability Insurance policy and pay the premiums for the same. It is intended to maintain such insurance cover for the Term of their appointment, subject to the terms of such policy in force from time to time.

12. Indemnity:

The directors are granted an indemnity by the Company in respect of liabilities incurred as a result of their office, to the extent permitted by law.

13. Governing Law:

The Appointment and the terms hereunder are governed by the laws of India, and subject to jurisdiction of Courts in Mumbai.

14. Relationship:

- 14.1. This appointment letter constitutes neither a contract for services nor a service contract.
- 14.2. There will be no relationship of employer and employee as a consequence of appointment as an independent director of the Company.

15. Changes of personal details

During the Term, they 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.

16. Disengagement

They 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 them in the notice, whichever is later.

Their directorship on the Board of the Company shall cease in accordance with law. The Company may disengage Independent Directors prior to completion of Term (subject to compliance of relevant provisions of the Act) upon:

- Violation of any provision of the Company's Code of Conduct as applicable to NEDs, or
- Upon the director failing to meet the criteria for independence as envisaged in Section 149(6) of the Act or the SEBI Listing Regulations.

*For Sellowrap Industries Limited
(Formerly known as Sellowrap Industries Private Limited)*