

Salient Features- Terms and conditions of Re-Appointment of Independent Directors of Manomay Tex India limited ('The Company')

The terms and conditions of Re-Appointment of the following Independent Directors are subject to the extant provisions of the (i) applicable laws, including the Companies Act, 2013 ('2013 Act') and Clause 49 of the Listing Agreement (as amended from time to time) and (ii) Articles of Association of the Company.

Sr. No.	Independent Director Data Bank Registration No.	Name of the Independent Director	From	To
1.	IDDB-DI-202002-007167	Mr. Shriniwas Shivraj Bhattad	02.01.2022	01.01.2027
2.	IDDB-DI-202002-007160	Mr. Basant Kishangopal Porwal	02.01.2022	01.01.2027
3.	IDDB-DI-202002-007170	Mr. Dilip Balkishan Porwal	04.01.2022	03.01.2027

The broad terms and conditions of their Re- appointments as Independent Directors of the Company are reproduced hereunder:

1. Re-Appointment

The Re-appointment will be for the period mentioned against their respective names ("Term"). The Company may disengage Independent Directors prior to completion of the Term subject to compliance of relevant provisions of the 2013 Act.

As Independent Directors, they will not be liable to retire by rotation Pursuant to the Provision of Section 149(13) of the Act read with relevant rules made there under.

All the independent Directors Complete First Consecutive Term of his appointment and Details of the Directors are as Following:-

Sr. No	Name of the Independent Director	From	To
1.	Mr. Shriniwas Shivraj Bhattad	02.01.2017	01.01.2022
2.	Mr. Basant kishangopal Porwal	02.01.2017	01.01.2022
3.	Mr. Dilip Balkishan Porwal	04.01.2017	03.01.2022

This is Second Running Consecutive Term of his Re-appointment had recommendation of the Nomination and Remuneration Committee and approval of the Board and the shareholders of the Company. Details of the Directors Re-appointment are as following:-

Sr. No	Name of the Independent Director	From	To
1.	Mr. Shriniwas Shivraj Bhattad	02.01.2022	01.01.2027
2.	Mr. Basant kishangopal Porwal	02.01.2022	01.01.2027
3.	Mr. Dilip Balkishan Porwal	04.01.2022	03.01.2027

As per Section 149 (10)/ (11) of the Act, no Person can hold office of Independent Director for more than "Two consecutive Terms".

So after the Expire of Second Consecutive Term of Five Years of Re-appointment they cannot be eligibility of further Re-appointment.

The directors may be requested to be a member / Chairman of any one or more Committees of the Board which may be constituted from time to time.

2. Independent Director's Data Bank Registration No.:-

S. No.	Name of the Independent Director	Independent Director Data Bank Registration No.	Valid time
1	IDDB-DI-202002-007167	Mr. Shriniwas Shivraj Bhattad	28.02.2020 to 27.02.2025

2	IDDB-DI-202002-007160	Mr. Basant Kishangopal Porwal	28.02.2020 to 27.02.2025
3	IDDB-DI-202002-007170	Mr. Dilip Balkishan Porwal	28-02-2020 to 27.02.2025

3. Online Proficiency Self-Assessment Test

All the Independent Directors will not require passing the Online Proficiency Self-Assessment Test because they all have served for a total Period of more than Three Years as on the Date of Inclusion of his name in the Independent Director's Data Bank of Indian Institute of Corporate Affairs.

4. Role, duties and responsibilities

- A. As members of the Board, they 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 **(as Amended)**,
 - Accountability under the Director's Responsibility Statement
- B. They shall abide by the 'Code For Independent Directors' as outlined in Schedule IV to section 149(8) of the 2013 Act, and duties of directors as provided in the 2013 Act (including Section 166) and in Clause 49 of the Listing Agreement (as amended).
- C. They are particularly requested to provide guidance in their area of expertise.

5. Time Commitment

They agree to devote such time as is prudent and necessary for the proper performance of their role, duties and responsibilities as an Independent Director.

6. 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.

In addition to the sitting fees, commission that may be determined by the Board may also be payable to them. In determining the amount of this commission, the Board supported by the Nomination and Remuneration Committee may consider performance of the Company and their performance as evaluated by the Board.

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, court convened meetings, meetings with shareholders/creditors/management, 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.

7. Code of Conduct

As Independent Directors of the Company, they agree to comply with the Code of Conduct for Non-Executive Directors (NEDs).

Unless specifically authorised by the Company, they shall not disclose company and business information to constituencies such as the media, the financial community, employees, shareholders, agents, franchisees, dealers, distributors and importers.

Their obligation of confidentiality shall survive cessation of their respective directorships with the Company.

The provisions of both, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) and the Code of Conduct on Prevention of Insider Trading, prohibiting disclosure or use of unpublished price sensitive information, would be applicable to the Independent Directors.

Additionally, they shall not participate in any business activity which might impede the application of their independent judgment in the best interest of the Company.

All Directors are required to sign a confirmation of acceptance of the Code of Conduct for NEDs as adopted by the Board on annual basis.

8. Training and Development

The Company may, if required, conduct formal training program for its Independent Directors. The Company may, as may be required, support Directors to continually update their skills and knowledge and improve their familiarity with the company and its business. The Company will fund/arrange for training on all matters which are common to the whole Board.

9. Performance Appraisal / Evaluation Process

As members of the Board, their performance as well as the performance of the entire Board and its Committees will be evaluated annually. Evaluation of each director shall be done by all the other directors. The criteria for evaluation shall be disclosed in the Company's Annual Report. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committee.

10. Disclosures, other directorships and business interests

During the Term, they agree to promptly notify the Company of any change in their directorships, and provide such other disclosures and information as may be required under the applicable laws. They also agree that upon becoming aware of any potential conflict of interest with their position as Independent Directors of the Company, they shall promptly disclose the same to the Chairman and the Company Secretary.

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

11. 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.

12. 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 2013 Act) upon:

- Violation of any provision of the Code of Conduct as applicable to NEDs,
- Upon the director failing to meet the criteria for independence as envisaged in Section 149(6) of the 2013 Act.

Annexure- A

The Companies Act, 2013 Section
166- Duties of Directors

- (1) Subject to the provisions of this Act, a [director](#) of a [company](#) shall act in accordance with the [articles](#) of the company.
- (2) A [director](#) of a [company](#) 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 interests of the company, its employees, the shareholders, the community and for the protection of environment.
- (3) A [director](#) of a [company](#) shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (4) A [director](#) of a [company](#) shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- (5) A [director](#) of a [company](#) shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his [relatives](#), partners, or associates and if such [director](#) is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
- (6) A [director](#) of a [company](#) shall not assign his office and any assignment so made shall be void.
- (7) If a [director](#) of the [company](#) contravenes the provisions of this section such [director](#) shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.

SCHEDULE IV
[See section 149(8)]
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. Roles and Functions:

An independent director 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:

An independent director 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 Board's 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.

