OSWAL WOOLLEN MILLS LIMITED

CIN: U40300PB1949PLC001522

TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTOR

Pursuant to **Section 149 and Schedule IV of the Companies Act, 2013** (“Act”) and the rules made thereunder, the terms and conditions governing the appointment of an Independent Director of **Oswal Woollen Mills Limited** are as follows:

1. Term of Appointment

The Independent Director shall be appointed for a term of **3 years**, subject to the provisions of the Act and approval of the members, wherever applicable.

The Independent Director shall not be liable to retire by rotation. The tenure and re-appointment shall be subject to the provisions of the Act, including the provisions relating to maximum tenure and cooling-off period.

2. Role and Expectations of the Board

The Independent Director shall:

- uphold ethical standards of integrity and probity;
- act objectively and constructively while exercising his/her duties;
- exercise independent judgment in the best interests of the Company;
- devote sufficient time and attention to his/her responsibilities;
- attend Board and Committee meetings and participate actively in deliberations;
- satisfy himself/herself regarding the integrity of financial information and that financial controls and risk management systems are adequate;
- safeguard the interests of all stakeholders, particularly minority shareholders;
- report concerns relating to unethical behaviour, actual or suspected fraud or violation of the Company's policies; and
- comply with the applicable provisions of the Act, Schedule IV, Articles of Association and policies/codes of the Company.

3. Board Committees

The Independent Director shall serve on such Board Committees as may be determined by the Board from time to time, including, where applicable, the Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee or other committees.

The Independent Director shall discharge the duties and responsibilities applicable to such Committee(s).

4. Fiduciary Duties

The Independent Director shall act in accordance with the fiduciary duties and responsibilities prescribed under the Act and Schedule IV thereto and shall act in good faith in the best interests of the Company, its members and other stakeholders.

The Independent Director shall exercise due care, skill and diligence and shall maintain confidentiality of the Company's confidential and proprietary information.

5. Independence

The Independent Director shall satisfy and continue to satisfy the criteria of independence prescribed under **Section 149(6)** of the Act and applicable rules.

The Independent Director shall furnish the requisite declaration of independence and other disclosures as required under applicable law.

6. Performance Evaluation

The performance of the Independent Director shall be evaluated by the Board in accordance with the provisions of the Act and applicable policies of the Company.

The continuation or re-appointment of the Independent Director shall be subject to the applicable statutory requirements and performance evaluation.

7. Remuneration

The Independent Director shall be entitled to:

- sitting fees for attending meetings of the Board and Committees thereof, as may be determined by the Board;
- reimbursement of reasonable expenses incurred for participation in Board and Committee meetings and other Company-related activities; and

The Independent Director shall not be entitled to any stock option of the Company.

8. Directors & Officers Insurance

The Company may provide **Directors and Officers (D&O) insurance**, if applicable, on such terms as may be determined by the Company.

9. Code of Business Ethics and Prohibited Actions

The Independent Director shall comply with the Company's Code of Conduct/Code of Business Ethics and other applicable policies.

The Independent Director shall not:

- misuse his/her position for personal gain or advantage;

- abuse confidential or proprietary information;
- participate in matters where he/she has a material conflict of interest, except as permitted by law;
- engage in any activity that compromises his/her independence; or
- undertake any act prohibited under the Act, applicable laws or the Company's policies.

10. Liability

In accordance with the provisions of the Act, the Independent Director shall be liable only in respect of such acts of omission or commission by the Company which occurred with his/her knowledge, attributable through Board processes, and with his/her consent or connivance or where he/she had not acted diligently.

11. Resignation and Cessation

The Independent Director may resign from office by giving notice to the Company in accordance with the Act.

The appointment shall cease or may be terminated in accordance with the provisions of the Act, the rules made thereunder and the Articles of Association of the Company.

12. Familiarisation

The Company shall provide an appropriate familiarisation programme to enable the Independent Director to understand the business, operations, functions and other relevant aspects of the Company.

13. General

The Independent Director shall comply with the provisions of the Companies Act, 2013, Schedule IV thereto, applicable rules, the Articles of Association and the policies and codes of the Company.

These terms and conditions shall be subject to applicable laws and may be amended from time to time to comply with statutory or regulatory requirements.

For Oswal Woollen Mills Limited

Sd/-
MUNISH SOOD
COMPANY SECRETARY

Date: 30.09.2023
Place: Ludhiana