

# CENTURY Textiles and Industries Limited

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CIN-L17120MH1897PLC000163

OUR REF. :

## **Specimen for letter of appointment for Independent Directors**

To each Independent Directors

Dear Sir,

Sub : Appointment as a Non-Executive Independent Director of  
Century Textiles and Industries Limited (the "Company")

We are pleased to confirm your appointment as a Non-Executive Independent Director of the Company (the "appointment") with effect from 25<sup>th</sup> July, 2014, which is pursuant to the provisions of Companies Act, 2013 and the Rules made thereunder and as approved by the Shareholders of the Company at its meeting held on 25<sup>th</sup> July, 2014.

As stipulated under the Companies Act, 2013, the appointment of Independent Directors shall be governed by the Schedule IV to the Companies Act, 2013 – 'Code For Independent Directors' which primarily covers –

- I. Guidelines of professional conduct
- II. Role and functions
- III. Duties
- IV. Manner of appointment
- V. Re-appointment
- VI. Resignation or removal
- VII. Separate meetings
- VIII. Evaluation mechanism

The terms of the appointment, which in any event shall be subject to Companies Act, 2013, Rules made thereunder are set out below, as stipulated in Schedule IV to the said Act.

### **Appointment**

1. The appointment is for a term of five consecutive years, expiring at the conclusion of 24<sup>th</sup> July, 2019 (the "Termination Date").



2. During your tenure as an Independent Director, you may be asked to serve on one or more of the Board Committees. Copies of the terms of reference for each of those Committees would be provided to you at the appropriate time, if not already provided for.
3. You will strictly abide by the Code for Independent Directors referred to above.
4. Subject to your other commitments, the Company expects a commitment of reasonable time and attention as necessary in order to perform your duties under the appointment. This will include attendance at regular and emergency Board meetings, any annual meeting of Independent Directors and the Annual General Meeting. You may also be required to attend regular meetings of any Board Committee of which you are a member. In addition, you will be expected to devote appropriate preparation time ahead of each meeting.
5. By accepting the appointment, you confirm that, subject to your other commitments, you agree to endeavour to allocate reasonable time to perform your role.

### **Role & Duties**

6. As a Non-Executive Independent Director you have the same general legal responsibilities to the Company as any other Director, except that you shall be held liable only in respect of such acts of omission or commission by a company which had occurred with your knowledge, attributable through board processes and with your consent or connivance or where you had not acted diligently.
7. You will adhere to the following duties of directors, which are more specifically stipulated in Section 166 of the Companies Act, 2013 as under –
  - (i) Subject to the provisions of this Act, a director of a company shall act in accordance with the articles of the company.
  - (ii) 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.
  - (iii) A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgement.
  - (iv) 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.
  - (v) 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 associate 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.
  - (vi) A director of a company shall not assign his office and any assignment so made shall be void.

**Fees**

8. Unless decided otherwise, you will be paid such sitting fees for each meeting of the Board and each Committee thereof and such commission on profit as may be recommended by the Nomination and Remuneration Committee and approved by the Board from time to time in terms of provisions of Section 197 of the Companies Act, 2013 and Rules made thereunder.
9. You will have no entitlement to any bonus during the appointment and no entitlement to participate in any share scheme and no stock options will be issued to you by the Company.

**Reimbursement of Expenses**

10. In addition to the fee described in 8 above, the Company will reimburse you for all reasonable and properly documented expenses you incur in performing your role. You may submit any details of expenses incurred to the Company Secretary.
11. During the appointment, circumstances may arise in the furtherance of your duties as a Director when it will be appropriate for you to seek advice from independent advisors at the Company's expenses. The Company will reimburse the full cost of expenditure incurred as deemed necessary.

**Other directorships and business interest**

12. The Company acknowledges that you may have business interest other than those of the Company and that you may have declared any conflicts that are apparent at present. In the event that you become aware of any potential conflicts of interest, not declared so far, these may be disclosed to the Chairman and Company Secretary as soon as they become apparent.
13. During the appointment, you may please inform us prior to accepting any other (or further) directorships of publicly quoted companies or any major external appointments, to avoid any conflict of interest with your current position in the Company.

**Code of Conduct & other compliances**

14. During the appointment, you will comply with any relevant regulations as may be issued by the Government of India and such other authorized bodies as set up by the Government on its behalf, including the Code for Independent Directors, Insider Trading Code and such other requirements as the Board of Directors may from time to time specify.
15. At the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect your status as an Independent Director, you shall give a declaration to that effect confirming that you meet the criteria of independence as provided in Section 149(6).

### **Confidentiality**

16. You must apply the highest standards of confidentiality and not disclose to any person or company (whether during the course of the appointment or at any time after its termination) any confidential information concerning the Company and any Group Companies with which you come into contact by virtue of your position as a Non-Executive Independent Director of the Company.
17. Your attention is drawn to the requirements under both legislation and regulation as to the disclosure of price-sensitive information. Consequently you should avoid making any statements that might risk a breach of these requirements without prior clearance from the Chairman or Company Secretary.

### **Performance Review Process**

18. The performance of individual Directors and the whole Board and its Committees shall be evaluated by the Nomination and Remuneration Committee. If, in the interim, there are any matters arising in connection with your role as a Non-Executive Independent Director which cause you concern, you may discuss with us as soon as appropriate.

### **Insurance**

19. The Company has directors' and officers' liability insurance and it is intended to maintain such cover for the full term of the appointment.

The Company on its part agrees and assures, that, the Company and all its executives, officers and employees shall:

1. provide to you full co-operation and support and do all such acts and things as are reasonably required to enable you to perform your duties as an independent director;
2. disclose to you, all facts and information as are relevant or material or necessary for you to discharge your duties as an independent director.
3. comply with and abide by all applicable provisions of law, including all rules, regulations, orders passed by any government or other authority or any court or judicial authority;
4. make available to you all such documents, information, copies, details etc as you may require in connection with the business or affairs of the Company;

We acknowledge that you have agreed to accept the appointment as an independent director inter alia relying on the above assurance. The Company irrevocably agrees to indemnify you and at all times to keep you fully indemnified against all loss, damage and expenses and claims that you may incur or suffer or face as also all actions and proceedings that you may face or undergo, as a result of any of the said assurances being found to be not true at any time.

**CENTURY TEXTILES AND INDUSTRIES LTD.**

This letter is governed by, and shall be construed in accordance with, the laws of India, and the parties agree to submit to the exclusive jurisdiction of the Courts of Mumbai, India.

This letter constitutes neither a contract for services nor a service contract.

Please confirm your agreement to the above by signing and returning the enclosed duplicate of this letter.

Yours sincerely  
For Century Textiles and Industries Ltd.

Sd/-

Secretary

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To,

Century Textiles and Industries Limited  
"Century Bhavan"  
Dr. Annie Besant Road  
Worli  
Mumbai – 400 030

I have read and I agree to the above terms regarding my appointment as a Non-Executive Independent Director of Century Textiles and Industries Limited

Sd/-

Signature

Place:

Date: