

Date: \_\_\_\_\_

Dear \_\_\_\_\_,

We thank you for your confirmation to Gokak Textiles Limited (the "Company") that you meet the "independence" criteria as envisaged in Section 149(6) of the Companies Act, 2013 ("Act") and Regulation 16(1)(b) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and also for your consenting to hold office as a director of the Company.

Pursuant to your confirmation, we are pleased to confirm that upon the recommendation of the Nomination and Remuneration Committee and on the Board recommendations, the shareholders have approved your appointment as an Independent Director on the Board of Directors of the Company.

The terms of your appointment, as set out in this letter, are subject to the provisions of the (i) Act (ii) SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and (ii) Articles of Association of the Company.

This letter sets out the terms of your appointment as an Independent Director.

**1. Appointment**

The appointment shall be for a period of 5 years (Term) with effect from \_\_\_\_\_.

You shall not be liable to retire by rotation.

Your relationship with the Company will be that of an office-holder and not one of contract for employment in the Company.

Reappointment at the end of the Term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the shareholders. Your reappointment would be considered by the Board based on the outcome of the performance evaluation process and you continuing to meet the independence criteria.

**2. Committee Membership/Chairmanship**

As per the Board's current assessment, you are a Chairman of Audit Committee, Chairman of Risk Management Committee and Member of Nomination and Remuneration Committee.

The Board may reconstitute the composition of any/all Committees, from time to time and make you member/chairman of other Committees of the Board.

### **3. 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 Act;
  - Responsibilities of the Board as outlined in the Corporate Governance requirements under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;
  - Accountability under the Director's Responsibility Statement;
  - Overseeing the maintenance of high standards of values and ethical conduct of business; and
  - Overseeing the Company's contribution to enhancing the quality of life of communities.
- B. You shall abide by the 'Code for Independent Directors' as outlined in Schedule IV of the Act and duties of directors as provided in Section 166 of the Act and requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- C. You also responsible for providing guidance in the area of your experience.

### **4. 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.

### **5. Remuneration**

As an Independent Director you shall be paid sitting fees for attending the meetings of the Board and the Committees as decided by the Board from time to time.

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. This could include reimbursement of expenditure incurred by you for attending General/Board/Committee Meetings, 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.

### **6. Code of Ethics**

As an Independent Director of the Company, you agree to comply with Code of Ethics for the Directors.

### **7. Training and Development**

The Company may, if required, conduct formal induction program for its Independent Directors. The Company shall, 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.

#### **8. Performance Appraisal / Evaluation Process**

As a member of the Board, your performance as well as the performance of the entire Board and its Committees shall be evaluated annually. Evaluation of each director shall be done by all the other directors. The criteria for evaluation shall be determined by the Nomination and Remuneration Committee and may include:

- Participation and contribution by a director;
- Commitment (including guidance provided to senior management outside of Board / Committee meetings);
- Effective deployment of knowledge and expertise;
- Effective management of relationship with stakeholders;
- Integrity and maintenance of confidentiality;
- Independence of behavior and judgment; and
- Impact and influence.

The evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committee.

#### **9. Disclosures, other directorships and business interests and changes in personal details**

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.

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

#### **10. Disengagement**

You may resign from the directorship of the Company by giving a notice in writing to the Company and 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.

Your directorship on the Board of the Company shall cease in accordance with law. The Company may disengage you prior to completion of Term (subject to compliance with relevant provisions of the Act) upon violation of any provision of the Code of Ethics for Directors or if you fail to meet the criteria for independence as envisaged in the Act.

The Board is confident that the Company will benefit immensely from your rich experience and that you would be an integral part of the growth of Company. If these terms of appointment are acceptable to you, please confirm your acceptance by signing and returning the enclosed copy of this letter.

We thank you for your continued support and commitment to the Company.

Yours Sincerely,

For Gokak Textiles Limited

Managing Director

**AGREE AND ACCEPT**

I have read and understood the terms of my appointment as an Independent Director of the Company and I hereby affirm my acceptance to the same.

Name: \_\_\_\_\_

Place: \_\_\_\_\_

Date: \_\_\_\_\_