

SCHABLONA INDIA LIMITED

CIN: L51109WB1983PLC036899

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Format of Letter of Appointment

STRICTLY PRIVATE AND CONFIDENTIAL

LETTER OF APPOINTMENT FOR INDEPENDENT DIRECTORS

(With Terms and Conditions applicable to Appointment of all Independent Directors)

Date: _____

Name: _____

DIN: _____

Address: _____

Dear Sir,

Sub.: **Appointment as a Non-Executive Independent Director of Schablona India Limited**

We thank you for your confirmation to Schablona India Limited (“the Company”) that you meet the criteria of “Independence” as envisaged under Section 149(6) of the Companies Act, 2013 (“the Act”) and Clause 49 of the Listing Agreement [as amended vide Circular issued by Securities and Exchange Board of India (SEBI) Ref. No. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 and further amended vide Circular No. CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014] and also for your consenting to hold office as Director of the Company.

This letter sets out the terms of your appointment as a Non-Executive Independent Director and not as an employee of the Company. Your relationship with the Company will be that of an office-holder and not one of contract for employment in the Company, hence this letter shall not be constructed as an employment contract.

The terms of your appointment, as set out in this letter, are subject to the extant provisions of the (i) Applicable laws, including the Act and Clause 49 of the Listing Agreement (as amended from time to time) and (ii) Articles of Association of the Company (“AOA”). Accordingly, the letter of Appointment sets out the terms and conditions covering your appointment which are as follows:-

1. Appointment Terms

Your appointment as an Additional Director of the Company, if continues beyond the ensuing Annual General Meeting would be subject to approval of the Members of the Company in the said Annual General Meeting.

Your appointment as Non-Executive Independent Director is for a term of five (5) consecutive years on the Board of Directors of the Company with effect from the date of Appointment, subject to approval of the Shareholders at the General Meeting, unless terminated earlier or

extended, as per the provisions of this letter or applicable laws ("Term"). During the aforesaid period, you shall not be liable to retire by rotation.

Your appointment shall be subject to the maximum permissible Directorship that one can hold as per the provisions of the Act and the Listing Agreement entered into with the Stock Exchanges. You shall ensure to immediately inform the Board of Directors in case any situation arises as to which you may lose your independence.

The Company may disengage your office as a Non-Executive Independent Director pursuant to compliance of the relevant provisions of the Act and Listing Agreement or any other applicable laws.

2. Expectations of the Board/Role and functions

As a Non-Executive Independent Director, you are expected to devote such time as may be considered prudent and necessary to perform your duties as an Independent Director. You are expected to attend the meetings of the Board/Shareholders as and when required, and to devote such time to your duties, as appropriate to discharge your duties effectively.

3. Roles and Functions

You as a Non-Executive 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) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy yourself 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.

4. Duties

You will devote such time to discharge your duties as an Independent Director as specified in Code for Independent Directors under Schedule IV to the Act, as reproduced below:

- (1) undertake appropriate induction and regularly update and refresh your 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 you are a member;
- (4) participate constructively and actively in the committees of the Board in which you are a member or chairperson;
- (5) strive to attend the general meetings of the Company;
- (6) where you 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 your concerns are recorded in the minutes of the Board meeting;
- (7) keep yourself 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 your 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.

5. Committees

The Board of Directors (the Board) may, if it deems fit, invite you for being appointed on one or more existing Board Committees or any such Committee that is set up in the future. Your appointment on such Committee(s) will be subject to the applicable regulations. You are expected to attend the meetings of the Committees as and when required.

6. Code of Conduct

During the appointment you are required to comply with the Company's Code of Conduct for Directors and Senior Management Personnel, Code for Independent Directors and Code for prevention of Insider Trading and such other requirements as the Board of Directors may from time to time specify under the Act and SEBI guidelines.

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 under Section 149(7) of the Act to that effect confirming that you meet the criteria of independence as provided in Section 149(6) of the said Act and Listing Agreement.

7. Liabilities

Your liability as an Independent Director will be governed by the provisions of the Act, Listing Agreement and other applicable rules and regulations. You, as an Independent Director shall be held liable in respect of such acts of omission or commission by the Company which had occurred with your knowledge, attributable through Board processes and with your consent or connivance or where you had not acted diligently.

8. Induction and Development

The Company shall, if required, conduct formal induction programme 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 as and when required.

9. Actions not to be undertaken

During your tenure as Independent Director on the Board of Company you shall not:

- indulge in unethical practices,
- accept any extraneous considerations that will vitiate the exercise of objective of independent judgment,
- abuse your 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,

- indulge in any action that would lead to loss of your independence

10. Status of Appointment

You will not be an employee of the Company and this letter shall not constitute a contract of employment. You will be paid sitting fees as per the provisions of Section 197(5) of the Act and rules thereof for attending the meetings of the Board and its Committees as may be decided by the Board from time to time. Further, in case of profits, you will also be paid remuneration by way of commission as may be approved by the Board and the Shareholders from time to time within the limits as provided in Section 197 of the Act.

11. Reimbursement of Expenses

In addition to the remuneration described in paragraph 10, the Company will, for the period of your appointment, reimburse you for travel, hotel and other incidental expenses incurred by you in the performance of your role and duties, as Director of the Company.

12. Conflict of Interest

It is accepted and acknowledged that you have disclosed your business interests in writing in the prescribed form other than those of the Company and that there are no conflicts that are apparent at present.

In the event that your circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgement that you are independent, this should be disclosed to both the Chairman and the Secretary.

13. Insurance

Presently, Company doesn't have any Directors' and Officers' Liability Insurance. However, if in future Company opts for taking such insurance policy, it will be endeavour of the Company to cover you for the full term of your appointment.

14. Confidentiality

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 which has come to your possession by virtue of your position as an Independent Director.

15. Review process

As a member of the Board, your performance shall be evaluated annually. Evaluation shall be done by all the other Directors. The criteria for evaluation shall be determined by the Nomination and Remuneration Committee and 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.

16. Publication of the letter of appointment

In line with provisions of Code for Independent Directors under Schedule IV as specified in the Act, the Company will upload this letter on its website, and the same will also be open for inspection at the registered office of the Company by any member during normal business hours.

17. Termination

- a. You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice to the Board.
- b. Notwithstanding other provisions of this Letter, the appointment may be terminated in accordance with the provisions of the Articles of Association of the Company or on failure to meet the parameters of independence as defined in Section 149(6) of the Act on occurrence of any event for vacation of office of Director of the Company as provided under Section 167 of the Act. You will not be entitled to compensation if the shareholders do not re-elect you at any time.

18. General

This Letter and any non-contractual obligations arising out of or in connection with this Letter are governed by, and shall be construed in accordance with the Act, listing Agreement and the other applicable laws of India, and the parties agree to submit to the exclusive jurisdiction of the courts in India.

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

Yours sincerely,

For Schablona India Limited

Chairman

I have read and agree to the above terms regarding my appointment as an Independent Director of **Schablona India Limited**.

Name: _____
Designation: Independent Director

<<This is a model Letter of Appointment and is subject to amendment/ modification>>