

## **Annexure I – Terms of Appointment as Independent Director of Wires & Fabriks (S.A.) Limited.**

### **1. Appointment**

The Term Independent Director should be construed as defined under the Companies Act 2013 and the Listing Agreement. The appointment and tenure of Independent Director shall be consistent with the applicable provisions of the Companies Act, 2013 and the listing agreement. The Independent Director will not be liable to retire by rotation. By accepting this appointment, the Independent Director confirms that he/she is able to allocate sufficient time to meet the expectations from his/her role to the satisfaction of the Board.

The Board of Directors (the Board) may, if it deems fit, invite the Independent Director for being appointed on one or more existing Board Committees or any such Committee that is set up in the future. The Independent Directors appointment on such Committee(s) will be subject to the applicable regulations.

The Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors. The appointment and re appointment of the Independent Director shall be subject to the outcome of the evaluation process. The Independent Director is not an employee of the Company and this letter shall not constitute a contract of employment.

### **2. Role and Duties**

The Independent Directors roles and duties will be those normally required of a Non- Executive Independent Director under Section 166 of the Companies Act, 2013 and the Listing Agreement, reproduced as under:

Section 166 of the Companies Act, 2013 is reproduced below:-

- a. Subject to the provisions of this Act, a director of a company shall act in accordance with the articles of the company.
- b. 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.
- c. A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- d. 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.
- e. 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.
- f. A director of a company shall not assign his office and any assignment so made shall be void.

In addition to the above requirements, the role of the Non- Executive Director has the following key elements:

Strategy: Non-Executive Directors should constructively challenge and help in improving proposals on short-term and long-term strategy;

Performance: Non-Executive Directors should scrutinize the performance of management in meeting agreed goals and objectives;

Risk: Non-Executive Directors should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;

People: Non-Executive Directors are responsible for determining appropriate levels of remuneration of Executive Directors and have a prime role in appointing, and where necessary, recommend removing Executive Directors and in succession planning;

Reporting: Non-Executive Directors take responsibility for the processes for accurately reporting on performance and the financial position of the Company; and

Compliance: Non-Executive Directors should keep governance and compliance with the applicable legislation and regulations under review and the conformity of the Company practices to accepted norms.

The Independent Director shall also comply with all relevant laws & regulations, including the Code for Independent Directors, Code of Conduct and Ethics for Directors and Insider Trading Code and such other requirements as the Board of Directors may from time to time specify. For ready reference, the relevant provisions as adopted by the Company in its earlier Board Meetings, is attached to this letter.

### 3. Remuneration

The Independent Director will be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board. In addition the Company will, for the period of the Independent Director appointment, reimburse the Independent Director for travel and hotel expenses incurred by the Independent Director in the performance of his/her roles and duties.

### 4. Disclosure & Conflict of Interest

At the time of appointment and at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect the status of the Independent Director, as an independent director, he/she shall give a declaration to that effect confirming that the he/she meet the criteria of independence as provided in the Companies Act, 2013 and the Listing Agreement.

The Independent Director will declare all directorships, appointments and interests to the Board in writing as per law, at the time of appointment & periodically thereafter. The Independent Director shall disclose material interest, that he/she has in any transaction or arrangement that the Company has entered into. Such interest should be disclosed not later than when the transaction or arrangement comes up at a Board meeting. A general notice that the Independent Director is interested in any contracts with a particular person, firm or company can also be given.

In the event that the circumstances seem likely to change and might give rise to a conflict of interest, or when applicable, the circumstances that might lead the Board to revise its judgment that the Independent Director is independent, the same should be disclosed to both the Chairman and the Secretary.

### 5. Confidentiality

All information acquired during the appointment is confidential to the Company and should not be released, either during the Independent Director tenure or following termination (by whatever means) to third parties without prior clearance from the Chairman, unless required by law. On reasonable request, the Independent Director shall surrender any documents and other materials made available to the Independent Director by the Company.

The Independent Director's attention is also drawn to the requirements under the applicable regulations and the Company's Code of Conduct for Prohibition of Insider Trading, which concerns the disclosure of price sensitive information and dealing in the securities of the Company. Consequently the Independent Director should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Chairman.

### 6. Termination

- a. The Independent Director may resign from the position at any time and should the Independent Director wish to do so, the Independent Director is requested to serve a reasonable written notice to the Board, specifying the reasons for same.
- b. Continuation of the Independent Director appointment is contingent on the Independent Director getting re-elected by the shareholders in accordance with provisions of Companies Act 2013, the Articles of Association of the Company and the Listing Agreement, from time to time in force. The Independent Director will not be entitled to any compensation if the Shareholders do not re-elect the Independent Director at any time.
- c. The Independent Directors appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

### 7. Governing Law

This letter of appointment is governed by and will be interpreted in accordance with Indian laws and shall be subject to the jurisdiction of courts at Kolkata.