UNITED TEXTILES LIMITED

Registered office: 7TH K.M. STONE BARWALA ROAD HISSAR HARYANA 125001

Corporate Identification Number: L17115HR1993PLC032092

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TERMS & CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

UNITED TEXTILES LIMITED

Manner of appointment:

(1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.

(2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.

(3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfills the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.

(4) The appointment of independent directors shall be formalized through a letter of appointment, which shall set out:

(a) The term of appointment;

(b) The expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;

(c) The fiduciary duties that come with such an appointment along with accompanying liabilities;

(d) Provision for Directors and Officers (D and O) insurance, if any;

(e) The Code of Business Ethics that the company expects its directors and employees to follow;

(f) The list of actions that a director should not do while functioning as such in the company; and

(g) The remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.

(5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.

(6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

Resignation or removal:

(1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
(2) An independent director who resigns or is removed from the Board of the Company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
(3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

Separate meetings:

(1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
(2) All the independent directors of the company shall strive to be present at such meeting;
(3) The meeting shall:

(a)Review the performance of non-independent directors and the Board as a whole;
(b) Review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
(c)Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Performance evaluation of Independent Directors:

a. The Nomination Committee shall lay down the evaluation criteria for performance evaluation of independent directors.

b. The company shall disclose the criteria for performance evaluation, as laid down by the Nomination Committee, in its Annual Report.

c. The performance evaluation of independent directors shall be done by the entire Board of Directors (excluding the director being evaluated).

d. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

Limit on number of directorships

a. A person shall not serve as an independent director in more than seven listed companies.
b. Further, any person who is serving as a whole time director in any listed company shall serve as an independent director in not more than three listed companies.

Maximum tenure of Independent Directors:

An independent director shall hold office for a term up to five consecutive years on the Board of a company and shall be eligible for reappointment for another term of up to five consecutive years on passing of a special resolution by the Company.

Provided that a person who has already served as an independent director for five years or more in a company shall be eligible for appointment, on completion of his present term, for one more term of up to five years only.

Provided further that an independent director, who completes his above mentioned term shall be eligible for appointment as independent director in the Company only after the expiration of three years of ceasing to be an Independent Director in the Company.

Formal letter of appointment to Independent Directors:

a. The Company shall issue a formal letter of appointment to independent directors in the manner as provided in the Companies Act, 2013.

b. The letter of appointment along with the detailed profile of Independent Director shall be disclosed on the websites of the company and the Stock Exchanges not later than one working day from the date of such appointment.

For **United Textiles Limited**

Sd/-

Arun Kumar Agarwal
Whole Time Director
DIN: 00248510