

MINAXI TEXTILES LIMITED
CIN : L17119GJ1995PLC025007

TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

*[Pursuant to the provisions of Schedule IV to the Companies Act, 2013
and Clause 49(II)(B)(4) of the Listing Agreement]*

The broad terms and conditions of appointment of Independent Directors (ID) is reproduced hereunder :

Appointment :

The appointment will be commencing from April 1, 2014 for the period of five years or the Director attaining the age of 75 years, whichever is earlier (**'Term'**). The company may disengage Independent Directors prior to completion of the Term subject to compliance of relevant provisions of the Companies Act, 2013 (the "Act")

As Independent Directors, they will not be liable to retire by rotation.

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. The reappointment would be considered by the Board based on the outcome of the performance evaluation process and the directors continuing to meet the independence criteria.

The directors may be requested to be a member / Chairman of any one or more Committees of the Board which may be constituted from time to time.

Expectations, Roles, Duties and Responsibilities :

ID is expected to bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective inputs in relation to the Company's strategy, performance and risk management as well as ensuring high standards of financial probity and corporate governance. ID is also expected to observe and comply with applicable laws, the charter documents of the Company and the rules, regulations and policies of the Company, in relation to his/her directorship and the business of the Company.

As members of the Board, they along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:

- Requirements under the Companies Act, 2013
- "Responsibilities of the Board" as outlined in the Corporate Governance requirements as prescribed by Stock Exchanges under Clause 49 of the Listing Agreement,
- Accountability under the Director's Responsibility Statement.

They shall abide by the 'Code For Independent Directors' as outlined in Schedule IV to section 149(8) of the 2013 Act, and duties of directors as provided in the 2013 Act (including Section 166) and in Clause 49 of the Listing Agreement.

They are particularly requested to provide guidance in their area of expertise.

Time Commitment

They agree to devote such time as is prudent and necessary for the proper performance of their role, duties and responsibilities as an Independent Director.

Remuneration :

As Independent Directors, they shall be paid sitting fees for attending the meetings of the Board and the Committees of which they are members. The sitting fees for attending each meeting of the Board and its Committees would be as determined by the Board from time to time.

Further, the Company may pay or reimburse to the Director such expenditure, as may have been incurred by them while performing their role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by them for accommodation, travel and any out of pocket expenses for attending Board/ Committee meetings, General Meetings, court convened meetings, meetings with shareholders/creditors/management, site visits, induction and training (organized by the Company for Directors) and in obtaining, subject to the expense being reasonable, professional advice from independent advisors in the furtherance of their duties as Independent Directors.

Code of Conduct :

As Independent Directors of the Company, unless specifically authorized by the Company, they shall not disclose company and business information to constituencies such as the media, the financial community, employees, shareholders, agents, franchisees, dealers, distributors and importers.

Their obligation of confidentiality shall survive cessation of their respective directorships with the Company.

The provisions of both, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Code of Conduct on Prevention of Insider Trading, prohibiting disclosure or use of unpublished price sensitive information, would be applicable to the Independent Directors. Additionally, they shall not participate in any business activity which might impede the application of their independent judgment in the best interest of the Company.

Training and Development :

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

Performance Appraisal / Evaluation Process :

As members of the Board, their performance as well as the performance of the entire Board and its Committees will be evaluated annually. Evaluation of each director shall be done by all the other directors. The criteria for evaluation shall be 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.

Disclosures, other directorships and business interests :

During the Term, they agree to promptly notify the Company of any change in their directorships, and provide such other disclosures and information as may be required under the applicable laws. They also agree that upon becoming aware of any potential conflict of interest with their position as Independent Directors of the Company, they shall promptly disclose the same to the Chairman and / or Compliance Officer.

During their Term, they agree to promptly provide a declaration under Section 149(7) of the 2013 Act, upon any change in circumstances which may affect their status as an Independent Director.

Disengagement :

They may resign from the directorship of the Company by giving a notice in writing to the Company 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 them in the notice, whichever is later.

Their directorship on the Board of the Company shall cease in accordance with law. The Company may disengage Independent Directors prior to completion of Term (subject to compliance of relevant provisions of the 2013 Act)

- Upon Violation of any provision of the Code of Conduct as applicable,
- Upon the director failing to meet the criteria for independence as envisaged in Section 149(6) of the Act.