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Terms and Conditions of Appointment / Re-appointment of Independent Directors

Date: _____

To,
(Insert Name of Director)
(Insert Address)

Dear [●],

Sub: Your appointment/ re-appointment as an Independent Director on the Board of Ashima Limited

We are pleased to inform you that the Shareholders of the Company at the Annual General Meeting of the Company held on [●], have appointed/re-appointed you as an Independent Director of the Company for a period of [●] consecutive years from [●] to [●], on the Board of the Company. As an Independent Director, you shall not be liable to retire by rotation.

A. Preliminary:

Your appointment/re-appointment is subject to the following:

- a) During your tenure as an Independent Director, you will have to submit a declaration at the beginning of every Financial Year under section 149(7) of the Companies Act, 2013 ("Act") and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015] stating that you meet the criteria of Independence.
- b) So long as you are Independent Director of the Company, the number of Companies in which you hold office as Director or a Chairman or Committee Member will not exceed the limit stipulated under the Act and the SEBI (LODR) Regulations, 2015.
- c) So long as you are an Independent Director of the Company, you will ensure that you do not get disqualified to act as a Director pursuant to the provisions of Section 164 of the Act.
- d) You will ensure compliance with other provisions of the Act and the SEBI (LODR) Regulations, 2015 as applicable to you as an Independent Director.

B. Term:

Your appointment/re-appointment is for a term of [●] consecutive years commencing from [●] upto [●].

T E X C E L L E N C E

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C. Committee:

You have been appointed/ are currently Chairman/Member of the following Committees of the Board:

<<To be inserted as applicable>>

D. Code of Conduct and Duties and Responsibilities:

- a) You shall abide by the Company's Code of Business Conduct and Ethics as applicable to Directors to the extent applicable to Independent Directors of the Company as set out at Annexure – 1.
- b) You shall abide by the guidelines of professional conduct, role, function and duties as an Independent Director provided in Schedule IV of the Companies Act, 2013, as set out at Annexure – 2.
- c) You are expected to stay updated on how best to discharge your roles, responsibilities, and duties and liabilities, as an Independent Director of the Company under applicable laws, including keeping abreast with current changes and trends in economic, political, social, financial, legal and corporate governance practices.
- d) You are expected to:
 - i. Take decisions objectively and solely in the interest of the Company;
 - ii. Facilitate Company's adherence to high standards of ethics and corporate behaviour.
 - iii. Guide the Board in monitoring the effectiveness of the Company's governance practices and to recommend changes, required, if any.
 - iv. Guide the Board in monitoring and managing potential conflicts of interest of Management, Board Members and Stakeholders, including misuse of corporate assets and abuse in related party transactions;
 - v. Guide the Board in ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems of risk management, financial and operational control and compliance with the law and relevant standards.

E. Performance Evaluation:

As an Independent Director of the Board, your performance evaluation shall be done by the entire Board of Directors. Your re-appointment or extension of term and your remuneration, if any, will be recommended by the Nomination & Remuneration



Committee of the Board (NRC), pursuant to a performance evaluation carried out by the NRC and Board.

F. Remuneration:

- a) You will be entitled for sitting fees for attending each meeting of the Board and its Committees as may be determined by the Board from time to time.
- b) You will be entitled to yearly remuneration over and above the sitting fees as may be determined by the Board from time to time subject to the approval of shareholders of the Company.
- c) Pursuant to applicable laws, you will not be entitled to any stock options.

G. Insurance:

- a) The Company has taken out a Directors and Officers (D&O) Liability Insurance Policy providing for insurance cover to Directors while acting in their capacities as Directors.
- b) The copy of the policy can be furnished on request made to the Company Secretary.

H. Familiarization Programme:

You will be entitled to the benefit of familiarization programme to familiarize yourself with the business and affairs of the Company, growth plans, the peculiarities of the Industry in which the Company operates, its goals and expectations and long term plans and objectives.

I. Miscellaneous:

You will have access to confidential information whether or not the information is marked or designated as “confidential” or “proprietary”, relating to the Company and its business including legal, financial, technical, commercial, marketing and business related records, data, documents, reports etc., client information, intellectual property rights (including trade secrets), (“Confidential Information”).

You shall use reasonable efforts to keep confidential and to not disclose to any third party, such Confidential Information.

If any Confidential Information is required to be disclosed by you in response to any summons or in connection with any litigation, or in order to comply with any applicable law, order, regulation or ruling, then any such disclosure should be made to the extent possible with the prior consent of the Board.



Please confirm your acceptance by signing, dating and returning a copy of this letter to the Company.

Yours faithfully,

Company Secretary

Agreed and Accepted

(Insert Name of Director)
Independent Director
(DIN of Director)



ANNEXURE – 1

ASHIMA LIMITED

CODE OF BUSINESS CONDUCT AND ETHICS
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CODE OF BUSINESS CONDUCT AND ETHICS APPLICABLE TO BOARD MEMBERS

Preamble

Ashima Limited (referred to as Ashima) in consonance with good corporate governance practices has laid down a model code of business conduct and ethics (hereinafter referred to the code) regulating and governing the affairs of its board members (hereinafter referred to as the board). The board of directors and management feel strongly about the ethical and lawful policies with which we operate our business. These principles are not new since we have followed the same throughout the years and will continue to do so. Regulation 17 (5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 require the company to set up a formal code of conduct.

Our business is conducted on the basis of our established beliefs. We believe in treating our stakeholders, our business associates, employees and all others with whom we are associated with in any manner during the course of our business, with the highest levels of honesty, integrity, consideration and respect. The code is not an attempt to cover every possible business situations, yet is an attempt to set forth the basic and generally accepted principles as part of code of conduct to be observed.

Value Statement

We strive to bring excellence in operations with the help of the latest technology for the products we produce. It is our endeavour to bring to the market the right products at the right time. The board and management have been working together for a bright future by creation of superior products and market them with exceptional skill.

This brings about success for all our stakeholders be it our associates our distributors, retailers, shareholders, depositors, lenders, the community at large.

Purpose and compliance

The board of directors wish to adopt the code as set forth below. The code is intended to establish minimum general standards of conduct encompassing the most common and sensitive areas in which the business operates.

This Code of Conduct of Board of Directors (hereinafter referred to as “CODE”) has been framed and adopted by Ashima Limited (hereinafter referred to as “the Company”) on 5th January, 2006 and has been amended from time to time in line with the applicable rules and regulations.



This code shall apply to all the members of the board as specified hereinbelow.

This code is designed to meet the requirements of Listing Regulations with the stock exchanges and the board and the management shall affirm its compliance on an annual basis.

Code of conduct for the board

This code is applicable to the following:-

1. The Chairman and Managing Director, Executive Director
2. All other board members including nominees of financial institutions and Independent Directors.

Prudent conduct and behaviour

The board members should act in accordance with the highest standards of honesty, integrity in conduct and discharge of the duties assigned to them.

The board members would keep themselves updated with the affairs of the company and perform in a most diligent manner to promote the business interests of the company.

The board members should try to ensure that the operations of the company are aimed at maximizing the stake holder's wealth.

The board members should avoid appropriating business opportunities for themselves that are discovered through the use of company property or information.

Conflict of interest

The board members should not take up directorship/retainership, with companies, firms, etc., which have a conflicting interest with that of the company, except after making full disclosures of the same to the board of directors as per the statutory requirements.

It shall be the duty and responsibility of the board to adhere to and observe the highest standards of ethical conduct, integrity and avoid any conflict of interest between their private financial activities and their part in the conduct of company affairs with an overall view to take care of the business interest of the company. It shall be the duty of the board and management to work diligently, to the best of their ability, expertise and judgment.

No associate of any director should own any interest in or have any personal contract or agreement of any nature with any suppliers, contractors or others doing business with the company.



Duties of Independent Directors

The independent directors shall—

1. undertake appropriate induction and regularly update and refresh their 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 he is a member;
4. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
5. strive to attend the general meetings of the company;
6. where they 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 their concerns are recorded in the minutes of the Board meeting;
7. keep themselves 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 his 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.



Compliance with laws, rules and regulations

The board members should ensure that the company complies with various rules and regulations governing the affairs of the company and should carry out a periodic review of the same.

Environmental Health and Safety

The board members should ensure to maintain a safe and healthy work environment and manage its business in the best way to safeguard the environment. The board should ensure that the company complies with all environmental, health and safety laws and establish strict standards therefore.

Insider Trading

The board members would ensure strict observance of the code of conduct for dealing in shares/securities of the company in compliance with SEBI (Prohibition of Insider Trading Regulations, 2015 as amended from time to time. Associates are prohibited from providing family members, friends, or any other persons with material non public information.

The board members would need to disclose all the information to the board about their relatives like spouse, children, parents, etc., if any, employed in the company.

Confidentiality

The board members should ensure strict secrecy of all the confidential information acquired due to long association with the company. Confidential information includes all non-public information that might be of use to competitors or harmful if disclosed to any person other than the member receiving it. The obligation to preserve the confidential information is desired to continue even after ceasing to be a member.

Disclosures by board

The board members should disclose to the company immediately any information which could lead to their disqualification to act as directors of the company.

The board members should disclose following information to the board on regular basis:-

- a. Details of any legal proceedings and decrees passed against them in personal capacity.
- b. Disclosures under Companies u/s 164 (2) (Appointment and Qualification of Directors) Rules, 2014 of the Companies Act, 2013.
- c. Changes in directorship and members of committees of board of other companies.
- d. Such other disclosures as may be required under various acts, rules and regulations.



Dealing with media

The board members should refrain from dealing with press and media, on the matters related to the company, except specifically designated for the purpose.

Use of and protecting corporate property and records

The board members would need to ensure that the resources and assets of the company are used in the best interests of the company and not for their personal use.

The board members should take all the reasonable steps to protect the company's property from loss, damage, theft, vandalism, sabotage, or unauthorized use or disposal.

The board members should ensure that all safety, security and environment related norms are adhered to and the Board is expected to work for overall interest of the stakeholders of the company.

- In general the management is expected to work for overall interest of the stakeholders of the company.

Acknowledgement

I have reviewed the "Code of Conduct for Board Members" for Ashima. I understand all provisions stated and certify and affirm that my activities are and will not conflict with any of the provisions contained therein.

(Insert Name of Director)

(DIN of Director)



ANNEXURE - 2

GUIDELINES OF PROFESSIONAL CONDUCT, ROLE, FUNCTION AND DUTIES FOR INDEPENDENT DIRECTORS (AS PROVIDED IN SCHEDULE IV OF THE COMPANIES ACT, 2013)

- **GUIDELINES FOR PROFESSIONAL CONDUCT:**

1. To uphold ethical standards of integrity and probity;
2. To act objectively and constructively while exercising his duties;
3. To exercise his/her responsibilities in a *bona fide* manner in the interest of the company;
4. To devote sufficient time and attention to professional obligations for informed and balanced decision making;
5. To not allow any extraneous considerations that will vitiate the exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
6. To not abuse his/her 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;
7. To refrain from any action that would lead to loss of his/her independence;
8. where circumstances arise which make an independent director lose his/her independence, the independent director must immediately inform the Board accordingly;
9. To assist the company in implementing the best corporate governance practices.

- **ROLE AND FUNCTIONS:**

1. To assist 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. To bring an objective view in the evaluation of the performance of board and management;
3. To scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;



4. To satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
 5. To safeguard the interests of all stakeholders, particularly the minority shareholders;
 6. To balance the conflicting interest of the stakeholders;
 7. To 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. To moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.
- **DUTIES:**
 1. To undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
 2. To 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. To strive to attend all meetings of the Board of Directors and of the Board committees of which he/she is a member;
 4. To participate constructively and actively in the committees of the Board in which they are chairpersons or members;
 5. To strive to attend the general meetings of the company;
 6. Where they 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 their concerns are recorded in the minutes of the Board meeting;
 7. To keep themselves 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. To 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. To 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. To report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
12. To act within their authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
13. Not to 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.