

Draft Letter of Appointment for Independent Directors

To
(Name)-----
(Address)-----

Date:

Sub: Letter of Appointment as Independent Director of M/s Standard Shoe Sole and Mould India Limited

We take this opportunity to welcome to you the Board of M/s Standard Shoe Sole and Mould India Limited as an Independent Director of the Company.

We are pleased to inform you that upon recommendation of Nomination and Remuneration Committee, approval of Board of Directors of Standard Shoe Sole and Mould India Limited (hereinafter referred to as SSSMIL or the Company) and approval of Shareholders of the Company at the Annual General Meeting/ Extra Ordinary General Meeting held on ----- (date), you are being appointed as an Independent Director on the Board of the Company.

The terms of your appointment shall be as follows:

1. Appointment

- 1.1 You have been appointed as a Non Executive Director on the Board of Directors of Standard Shoe Sole and Mould India Limited with effect from -----(joining date) for a period of 5(five) years in accordance with the Companies Act, 2013. Your appointment shall be governed by the provisions of the Companies Act, 2013 and the Equity Listing Agreement entered into by the Company with the Stock Exchange.
- 1.2 Your appointment is subject to the maximum permissible directorship that one can hold as per the provisions of Companies Act, 2013 and the Listing Agreement.
- 1.3 As an Independent Director you will not be liable to retire by Rotation as per the Provisions of Companies Act, 2013
- 1.4 The Company has adopted the provisions with respect to the appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the Listing Agreement. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. The disengagement earlier than five years will be in accordance with the provisions of the Companies Act, 2013 or on mutually agreed terms.
- 1.5 The term Independent Director should be construed as defined under the Companies Act, 2013 and the listing agreement.
- 1.6 The provisions contained in the Companies Act, 2013 and the Listing Agreement will apply as regards performance evaluation of Independent Directors is concerned. The performance of Independent Directors shall be evaluated by the entire Board of Directors, excluding the Director being evaluated. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of your appointment as an Independent Director.

2. Committees

- 2.1 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.
- 2.2 By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.
- 2.3 Upon your appointment to any one or more committees, you will be provided with appropriate Committee Charter which sets out the functions of that committee.
- 2.4 Currently, the Board has 4 committees: Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee. All committees include independent directors as required by regulations. The Board is responsible for constituting, assigning, co-opting and fixing terms of service of committee members. The meetings of the Committee are held as per requirements. Recommendations of the Committee are submitted to the full Board for approval. The quorum of the meeting is either 2 members of the committee or one third of the members of the committee, whichever is higher.

3. Time Commitment

- 3.1 As a Non-Executive Director, you are expected to bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective leadership in relation to the Company's strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance.

The Board meets atleast four times in a year. The Audit Committee also meets atleast four times in a year. Besides, there are other Committee meetings like Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Risk Management Committee meetings which are held as required in a year. Ordinarily, all meetings are held in Kolkata. You will be expected to attend Board, Board Committees of which you are a member or to which you may be appointed and Shareholders meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively.

- 3.2 By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.

4. Role and Duties

- 4.1 Your role and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 and the Listing Agreement. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under (in terms of section 166 of the Companies Act, 2013):
 - a. You shall act in accordance with the Company's Article of Association.
 - b. You 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 interest of the Company.

- c. You shall discharge your duties with due and reasonable care, skill and diligence.
- d. You shall not involve yourself in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company. Please refer to clause 11 for full explanation on conflict of interest.
- e. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
- f. You shall not assign your office as Director and any assignments so made shall be void.

You shall also abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Companies Act, 2013, and duties of directors as provided in the said Act and in Clause 49 of the Listing Agreement or any other as applicable and amended from time to time. For your ready reference, the relevant provisions have been extracted and attached to this letter as **Annexure A**.

5. Training of the Board

Every new independent director of the Board attends an orientation program wherein executive directors/ senior managerial personnel provide an overview about the strategy, operations and functions of our company to familiarize the new inductees. The orientation program will cover the following topics:

- Company's Strategy
- Operations
- Service Offerings
- Product Offerings
- Markets
- Organization Structure
- Finance
- Human Resources
- Technology
- Quality
- Facilities
- Risk Management
- Expectations/ outlook

6. Professional Conduct

As an independent director, you shall:

- a. Uphold ethical standards of integrity and probity;
- b. Act objectively and constructively while exercising your duties;
- c. Exercise your responsibilities in a bona fide manner in the interest of the Company;
- d. Devote sufficient time and attention to your professional obligations and informed and balanced decision making;
- e. Not allow any extraneous considerations that may vitiate your exercise of objective independent judgment in the paramount interest of the Company as whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- f. Not 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 of any associated person;
- g. Refrain from any action that could lead to loss of your independence;

- h. Ensure that if circumstances arise under which you may lose your independence, you will immediately inform the Board accordingly;
- i. Assist the Company in implementing the best corporate governance practices.

7. Functions, Responsibilities and Duties of Directors

7.1 Functions

- a. To review the Company's strategy, the annual financial plan and monitor the Company's performance.

The primary role of the members of the Board is to exercise their business judgment to act in what they believe to be the best interests of the Company and its shareholders. It is the duty of the Board to ensure that the Management performs with competence and values to achieve the objectives of the Company. Generally, the Board meets once every quarter. The quarterly meeting of the Board includes updates on the business, financial and business enabler functions and discussion on such updates. The Audit Committee of the Board for its acceptance. The Board monitors the Company's performance against its annual financial plan at its quarterly meetings as well as at the end of the financial year.

- b. To review the Management performance and compensation

The Nomination and Remuneration Committee of the Board evaluates the performance of the executive officers of the Company and recommends their compensation for the ensuing year to the Board. Such compensation may include stocks, options and/or variable pay.

- c. To review and decide on succession planning of executive officers of the Company

The Nomination and Remuneration Committee of the Board works with the Board to develop an orderly plan for succession of leadership of the Board and the executive officers of the Company. The Company develops contingency plans for succession in case of exigencies.

- d. To advice and counsel the Management

The Board should be composed of individuals whose knowledge, background, experience and judgment are valuable to the Company. They should also be capable of providing advice to the executive officers of the Company. Members of the Board have full access to the Management (executive officers) and other employees as well as to the Company's record and documents. The Board may also seek legal or other expert opinion/advice from a source independent of the Management.

- e. To monitor and manage potential conflict of interests of the Management

The Audit Committee of the Board reviews and approves related party transactions, if any, as required under the applicable laws and/or the rules.

- f. To oversee and ensure the integrity of financial information and legal compliance

The Audit Committee of the Board oversees the Company's accounting and financial reporting processes and the audit of the Company's financial statements and assists the Board in the overseeing of (i) the integrity of Company's financial statement, (ii) the Company's compliance with legal and regulatory requirements, (iii) the independent auditor's qualification, independence and performance, and (iv) the Company's internal accounting and financial controls.

7.2 Responsibilities

Independent directors have the same general legal responsibilities to the Company as that of any other director. The Board as a whole, is collectively responsible for ensuring the success of the Company by directing and supervising the Company's affairs.

The Board:

- a. Provides entrepreneurial leadership of the Company within a framework of prudent and effective controls which enable risks to be assessed and managed;
- b. Sets the company's strategic aims, ensures that necessary financial and human resource requirements are in place for the company to meet its objectives, and reviews management performance;
- c. Sets the Company's values and standards, ensures that its obligation to its shareholders and others are understood and met by the Company.

In addition to the criteria mentioned in the previous sections for induction of directors, the role of independent directors also include tracking, reviewing and providing feedback on

- a. Strategy: Independent directors to constructively contribute to the development of the Company Strategy;
- b. Performance: Independent directors to oversee the performance of the Management in meeting agreed goals and objectives and monitor the reporting performance;
- c. Risk: Independent directors to evaluate and ensure that financial information is accurate, and that financial controls and systems of risk management are robust and defensible;
- d. People: Independent directors responsible for determining the appropriate levels of remuneration of executive directors and the process of succession planning. They also have prime role in appointing, and, where necessary, removing senior management;
- e. Stakeholder: Independent directors to balance the conflicting interest of the stakeholders, including minority shareholders. In the event of any conflict, they shall moderate and arbitrate in the interest of the Company as a whole.

7.3 Duties

As an independent director, you shall:

- a. Undertake the appropriate induction into the Board and regularly update and refresh your skills, knowledge and familiarity with the Company;
- b. Seek appropriate clarification and, where necessary, seek and follow appropriate professional advice from external experts at the expense of the Company;
- c. Strive to attend every meeting of the Board and of the Board Committees of which you are a member.
- d. Actively and constructively participate in the Board committees of the Board in which you may be a member or a Chairperson;
- e. Strive to attend the general meetings of the Company;
- f. Ensure that any concerns that you may have about the running of the Company are addressed by the Board and seek inclusion of these concern in the Board minutes to the extent these concerns are not resolved
- g. Keep yourself well informed about the Company and the external environment in which it operates;
- h. Not unfairly obstruct the functioning of an otherwise proper Board or Committee;
- i. Ensure that related party transactions, if any, are considered carefully before they are approved and are in the interest of the Company;
- j. Ensure that whistle blower function of the Company is functioning adequately;
- k. Report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct and ethics;

- l. Within your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- m. Not disclose any confidential information unless such disclosure is expressly approved by the Board or required by the law.

8. Status of your appointment

- 8.1 You will not be an employee of the Company and this letter shall not constitute a contract of employment.
- 8.2 Subject to the applicable law, independent directors are eligible to serve for a maximum of period of two terms of five years each.

9. Code of Conduct & Other Compliances

During the appointment, you will comply with any relevant regulations as maybe issued by the Government of India and such other authorized bodies as set up by the Government on its behalf, including the Code for Independent Directors, Code of Conduct and Ethics for Directors and Senior Management and Insider Trading Code and such other requirements as the Board of Directors may from time to time specify.

At the first meeting of the Board in every financial year or wherever there is any change in the circumstances which may affect your status as independent director, you shall give a declaration to that effect confirming that you meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Listing Agreement, in the format as per **Annexure B** of this letter.

10. Remuneration

- 10.1 You will be paid such remuneration, if any, by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board and/or approved by the Shareholders from time to time. Further, you will also be paid remuneration by way of commission as maybe approved by the Board and Shareholders from time to time.
- 10.2 Presently there is NIL sitting fees paid to the Non executive Independent Director per meeting of the Board or Committee thereof.
- 10.3 The remuneration, if any, of the non executive independent directors is approved at a duly convened meeting of the full Board. The total compensation, if any, payable to the entire group of non-executive independent directors is limited to fixed amount per year determined by the Board subject to the provisions of Companies Act, 2013 and rules thereto or any other statutory requirements, amendments, modifications, notifications and/or clarifications in this regard.
- 10.4 Reimbursement of expenses
In addition to the remuneration described above, the Company will, for the period of your appointment, reimburse your actual expenses, if any in relation to the performance of your roles and duties in the Company.

11. Conflict of Interest

- 11.1 It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to your appointment commencing, you are required to

declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment.

11.2 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 judgment that you are independent, this shall be disclosed to both the Chairman and the Company.

12. Memberships of other boards

It is expected that you will not serve on Boards of competing companies. Apart from the applicable law and good corporate governance practices.

13. Information on Meetings

13.1 Scheduling and Selection of Agenda Items for Board Meetings

Dates for the ensuing Board Meeting are decided in advance and the Notice and Agenda for the same circulated to those entitled to attend the same. The Board meetings are generally held at the Registered Office of the Company situated in Kolkata. Every Board member is free to suggest the inclusion of items on the Agenda. Normally the Board meets once in every quarter to review the quarterly results and other items on the agenda. Additional meetings are held based on the need.

13.2 Availability of Information to Board

The Board had full and unfettered access to any information of the Company, and to any employee of the Company. At Board meetings, the Board invites managers of the Company when additional details into the items being discussed are required.

13.3 Independent Directors' Discussion

Pursuant to the requirements it is the Board's Policy to have at least one "independent directors only" meeting so that they can have a full and frank discussion on the performance of the Company, and the performance of executive members of the Board including the Chairperson. The lead Independent Director presides over the meeting and may invite the Chairman, any executive director and any senior management personnel to make representations on any particular issue.

14. Mechanism for evaluating Board Members

14.1 The Company conducts an annual Board evaluation and a peer evaluation survey to assess the performance of the Board as a whole and that of individual Board members. Performance is assessed as per defined objective criteria. This is in line with the Company's Policy.

14.2 Your appointment and re-appointment shall be subject to the outcome of the evaluation process wherein the performance of the Board as a whole, Board committees and Directors shall be evaluated.

15. Disclosure of Interest

You shall disclose material interest that in any transaction or arrangement that the Company has entered into. Such interest should be disclosed no later than when the transaction or arrangement comes up at the Board Meeting so that the minutes may record your interest appropriately and our records are updated. A general notice that you are interested in any contract with a particular person, firm or company is acceptable.

16. Dealing in Shares

Directors are prohibited from dealing in the Company's Shares during the period when the trading window is closed. Further, directors, being designated officers of the Company for the purpose of insider guidelines, are to pre-clear all trades (buy/sell/gift). You are required to comply with the applicable insider trading laws and regulations.

17. Trading Window Closure

17.1 The Company shall specify a trading period, to be called "trading window", for trading in the Company's Securities. When the trading window is closed the director's shall not trade in the Company's Securities in such period.

17.2 The Trading window shall be closed during the following time periods when the information is unpublished:

- a. Declaration of financial results (quarterly, half-yearly and annually)
- b. Declaration of dividends (interim & final)
- c. Issue of securities by way of public/rights/bonus etc.
- d. Any major expansion plans or execution of new projects
- e. Amalgamations, Merger, takeovers and Buy Back
- f. Disposal of whole or substantially whole of the undertaking
- g. Any changes in policies, plans or operations of the Company

The time for commencement of closing of trading window shall be decided by the Company. The trading window shall be opened 48hours after the information referred above is made public.

18. Confidentiality

18.1 All information acquired during your appointment is confidential to SSSMIL and should not be released, either during your appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman unless required by law or by the rules of any stock exchange or regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by SSSMIL.

18.2 Your attention is also drawn to the requirements under the applicable regulations and the SSSMIL Code which concern the disclosure of price sensitive information and dealing in the securities of SSSMIL. Consequently you should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Chairman or the Secretary.

19. Termination

19.1 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 on the Board.

19.2 Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013 and the Articles of Association of the Company, from time to time in force. You will not be entitled to compensation if the shareholders do not re-elect you at any time

19.3 Your appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force

20. Governing Law

This agreement is governed by and will be interpreted in accordance with Indian law and your engagement shall be subject to the jurisdiction of the Indian courts.

If you are willing to accept these terms of appointment relating to your appointment as a non executive Independent Director of HUL, kindly confirm your acceptance of these terms by signing and returning to us the enclosed copy of this letter.

Yours Sincerely,
For Standard Shoe Sole and Mould India Limited

Name
Chairman
DIN
Address

Agree & Accept

I have read and understood the terms of my appointment as an Independent Director of the Company and I hereby affirm my acceptance to the same.

Name
DIN
Address

Place
Date

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