



Terms & Conditions of Independent Director

To

Dear Sir,

Sub: Appointment as Independent Director of Swiss Military Consumer Goods Limited

- We are pleased to inform you that the Shareholders of the Company at the Annual General Meeting of the Company held on has approved your re-appointment as an Independent Director of the Company to hold office for a period of 5 consecutive years, commencing from to (“Appointment”). In this regard, this letter of appointment sets the terms and conditions thereof being issued to you, in terms of Schedule IV to the Companies Act, 2013 and rules framed thereunder (the “CA 2013”) and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”), as mentioned hereunder:

1. Appointment

- In compliance with the provisions of Section 149(13) of the CA 2013, your appointment as an Independent director will not be subject to retirement by rotation.
- Your appointment will be subject to applicable laws including the CA 2013, the Listing Regulations and the Company’s Articles of Association, as amended from time to time. As per the declaration provided by you, it is noted that you meet the criteria of being appointed as an Independent Director of the Company in terms of the provisions of Section 149 of the CA 2013 and rules framed thereunder, from time to time. You shall on a yearly basis declare to the Company that you continue to meet these eligibility criteria. In case of happening of any event, if you cease to meet the eligibility criteria for Independent Director, you shall promptly inform the Company of the same and shall cease to become an Independent Director of the Company.

SWISS MILITARY CONSUMER GOODS LIMITED



- You will not be an employee of the Company and this letter shall not constitute a contract of employment.
- You will not be entitled to any stock option offered by the Company
- In the event you propose to resign as Independent Director of the Company, request you to give reasonable notice to the Company of your intention to resign so that the Company can plan for succession of skills and experience on the Board. In addition, the Appointment may be terminated in accordance with the provisions of the Articles of Association of the Company or applicable laws including on failure to meet the parameters of independence as defined in Section 149(6) or on the occurrence of any event as defined in Section 167 of the CA 2013. Upon such termination or resignation for any reason, you shall not be entitled to any damages for loss of office and no fee will be payable to you in respect of any unexpired portion of the term of the Appointment.

2. Committee Membership

Presently, the Company has the following Board Committees which have been constituted/ re-constituted in terms of the decisions at previous Board Meetings:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholder Relationship Committee
- Corporate Social Responsibility (CSR) Committee

Further, the Board has re-appointed you as a chairman/member in the following committees-

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholder Relationship Committee
- Corporate Social Responsibility (CSR) Committee

- The Board of Directors may invite you to join any one or more of the Committees as mentioned above as a Member or Chairperson of such Committee(s) of the Board. The Board may also invite you to join any other Committee which the Board may constitute in the future. Your appointment as a Member/ Chairperson of any Committee of the Board, whether existing or in the future shall be subject to the applicable regulations and laws under the CA 2013 and/ or Listing Regulations.



- As an Independent Director, you will participate in the meeting of the Independent Directors separately without the presence of Non-Independent Director and Members of the Management.

3. Time Commitment

- You will devote sufficient time to the affairs of the Company while functioning as Independent Director as would be required to help the Company to achieve its objectives.
- As an Independent Director on the Board, you are expected to bring 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, risk management and ensuring the highest standards of financial probity and corporate governance.
- You are expected to attend each and every Board Meeting, Committee Meeting, to which you are a member and the AGM / EGM of the Company during your tenure as an Independent Director on the Board. The schedule of meetings to be held in the subsequent financial year shall be tentatively fixed and confirmed in the Board Meeting held in last quarter in each financial year. The Schedule of Meetings shall be communicated to you well in advance including any change in day, date, time and venue thereof to make it convenient for you to attend the meetings.

4. Role, Functions and Duties

- As an Independent Director on the Board, your role, functions and duties shall be governed by the applicable provisions of CA 2013 read with Rules framed thereunder, Schedule IV of the CA 2013, Listing Regulations, Articles of Association of the Company and other Statutes as may be applicable from time to time.

5. Conflict of interest/ Disclosure of interest

- The Company acknowledges that being an Independent Director on the Board of the Company you may have business interest other than that of the Company. As a condition of your appointment commencing from 1st April, 2019, you will be required to disclose your other directorship, appointments, interest, etc. to the Board in writing in the prescribed format and also keep the Board informed about changes, if any, immediately after the change is made effective.



- As an Independent Director, you will be liable to disclose your interest in any contracts or arrangements with any company, firm, association or individual where you are interested as a Director or a relative or partner or in any other capacity. Such disclosure is necessary to ensure that the Company complies with applicable provisions of CA 2013 and the Listing Regulations. In addition to the above, you are required to disclose to the Board of Directors your appointment, removal or cessations as Director in other companies. You are also required to disclose your Committee Membership in other companies.
- You will be required to maintain your Directorship, Committee Membership, Chairpersonship of other Companies within the maximum permissible limit under the CA 2013 and the Listing Regulations. You will also be required to submit your Annual Declarations in the prescribed format to the Board of Directors of the Company so that the Board can take note of the same in the Meeting.

6. Training

- The Company shall provide you suitable training to familiarize you with the Company, your role, duties, responsibilities in the Company, nature of the Industry in which the Company operations, business model of the Company etc.

7. Re-appointment

- As per the provisions of CA 2013 and Listing Regulations, your performance as an Independent Director will be evaluated/ reviewed by the Board on an annual basis.
- As required under the CA 2013, your re-appointment shall be on the basis of report of performance evaluation and will be subject to applicable laws including the Listing Regulations and the Company's Articles of Association and any necessary resolution(s) of the Board and the shareholders.

8. Fees and Expenses

- You will be paid remuneration by way of sitting fee and reimbursement of expenses for participation in the Board and other Committee meetings and commission and/or such other payments as may be decided by the Board from time to time, subject to the provisions of Section 197 and 198 and other relevant rules and provision of CA 2013 and any amendments /subsequent legislation applicable to such appointments / reappointment / extension of term of appointment.



9. Code of Conduct

- During the Appointment, you will comply with any relevant regulations as may be issued by SEBI, including the code of conduct for Directors of Company and Schedule IV of CA 2013 and such other requirements as the Board of Directors may decide from time to time.

10. Confidentiality

- Upon accepting the appointment, you will need to apply the highest standards of confidentiality and not disclose to any person or Company (whether during the course of the Appointment or at any time after termination) any confidential information concerning the Company and any Group Companies with which you come into contract with by virtue of your position as an Independent Director of the Company.
- Your attention is drawn to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015 in respect of disclosure of price-sensitive information. Consequently, you are hereby informed not make any statements and/or enter into transactions that might risk a breach of these Regulations in any manner, whatsoever.

11. General

- This letter shall be open for inspection at the registered office of the Company by any member during normal business hours. Further, your terms and conditions of appointment shall also be posted on the Company's website.
- This letter is governed by the laws of India and any dispute arising out of this appointment shall be subject to the exclusive jurisdiction of the Courts of India.
- Please confirm your agreement to the above by signing and returning to me the enclosed duplicate of this letter.

Looking forward to your continued support and commitment to the Company.

Thanking you,

For and on behalf of

Swiss Military Consumer Goods Limited

SWISS MILITARY CONSUMER GOODS LIMITED