CAMPUS ACTIVEWEAR LIMITED

Terms of appointment of Non – Executive Independent Directors of Campus Activewear Limited

1. Appointment

The appointment shall be as per the provisions of the Companies Act, 2013 ('the Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR'). The tenure is subject to meeting the criteria for being an Independent Director at all times during the tenure, and not being disqualified to be a Director under the applicable provisions of the Act.

An Independent Director will not be liable to retire by rotation.

2. Independence

The Board has given due consideration to the declaration of being qualified as Independent in accordance with the provisions of the Act. Directors agree to continue to be qualified as "independent" during their tenure and provide periodic declaration to the effect as required by the applicable laws. They will be identified as Non-Executive Independent Director in the annual report and other documents and publications of the Company. They shall promptly inform the Chairperson and the Company Secretary, should you cease to be qualified as "independent" during their tenure.

3. Role on the Company's Board and Board Committees

They shall be Independent Director on the Board and shall abide by all the provisions of any law for the time being in force with respect to rights, duties and responsibilities of a Director. Moreover, they shall also abide by other provisions of any law for time being in force, which are specifically applicable to them due to they being an Independent Director.

The Board constitutes committee of Directors from time to time, and delegates the requisite powers to them. Subject to the applicable laws and as deemed fit by the Board, they may be required to serve on one or more committees of the Board as a member / Chairperson. Upon their nomination to any one or more committee (s), they will be provided with the appropriate committee charter which would set out its functions.

4. Induction/Training

The Company shall conduct suitable training/familiarization sessions, *inter-alia*, to familiarize them with following:

a. Board's roles, rights and responsibilities;
b. Business model of the Company;
c. Company's vision, strategic direction, core values, ethics and corporate governance practices;

5. Time Commitment

We expect the time commitment involving attendance at all Board and committee meetings (of which they are a member); and the general meetings of the members. Usually, the Company has four Board meetings and some more meetings on need basis, an Annual General Meeting and Extra – Ordinary General Meeting(s) of members of the Company as and when required. In addition, Board Committees meet on need basis.

In terms of the Act, the Independent Directors are required to hold atleast one separate meeting in a financial year, without the attendance of Non - Independent Directors and members of management. The Independent Directors shall strive to be present at such meeting(s).

6. Role & Duties of Independent Director

Your kind reference is invited to Section 166 of the Act which entails duties of Directors, which are as follows:

a. a director of a company shall act in accordance with the articles of the company.
b. a director of a company 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 interests of the company, its employees, the shareholders, the community and for the protection of environment.
c. a director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
d. a director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
e. a director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
f. a director of a company shall not assign his office and any assignment so made shall be void.
g. As per provisions of the Act, you shall be held liable, only in respect of such acts of omission or commission by the Company which had occurred with your knowledge, attributable through Board processes, and with your consent or connivance or where you had not acted diligently.
h. Apart from the above, they shall also fulfil the role and responsibilities as provided under SEBI LODR.

As an Independent Director, you are also expected to abide by the Code for Independent Directors set out in Schedule IV to the Companies Act, 2013, which, inter alia, specifies the role, functions and duties of an Independent Director.

7. Professional Conduct

As an Independent Director, you are expected to:-

a. uphold ethical standards of integrity and probity;

b. act objectively and constructively while exercising your duties;
c. exercise responsibilities in a bona fide manner in the interest of the Company;
d. devote sufficient time and attention to your professional obligations for informed and balanced decision-making;
e. not allow any extraneous considerations that will vitiate your 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.
f. use their position only for the benefit of the Company or its shareholders and not for the purpose of gaining direct or indirect personal advantage or advantage for any associated person.
g. refrain from any action that would lead to loss of their independence;
h. if circumstances arise under which you may lose your independence, inform the Board accordingly;
i. assist the Company in implementing the best corporate governance practices.

8. D&O Insurance

The Company maintains Directors' & Officers' liability insurance policy (D&O policy) and it is intended to maintain such cover for the full term of their appointment.

Broadly, the policy covers the personal liability of a Director/Officer in the event of a claim or law suit alleging wrong-doing in connection with company's business, other than professional indemnity. The policy also indemnifies for judgmental errors; and covers past, present and future directors and officers of the Company on unnamed basis.

9. Memberships of other boards

It is expected that they will not serve on the Board of competing Companies apart from the applicable provisions of law on maximum number of directorships and good corporate governance practices, there are no other additional limitations.

10. Fees/reimbursement of expenses

10.1 Independent Directors are entitled to sitting fee for attending Board and committee meetings, or any other (including but not limited to profit related commission) as fixed by the Board from time to time.

10.2 The Company shall pay or reimburse on actual basis, fair and reasonable incidental expenditure, incurred by you while performing the role as an Independent Director.

11. Evaluation

The performance of Independent Directors shall be evaluated periodically, in terms of the provisions of the Act.

12. Compliance with various Codes of the Company

Independent Directors shall adhere to the Code for Independent Directors as provided in Schedule IV to the Act (which is enclosed herewith). They will follow the Company's policies applicable to Directors including the Code of Conduct and Code for Prevention of Insider Trading.

13. Disclosures

During their tenure as Director, they agree to promptly notify the Company of any change in their directorships and provide such other disclosures as may be required under the applicable laws. They also agree that in case they become aware of any potential conflict of interest with their position as an Independent Director, they shall promptly disclose the same to the Chairperson and the Company Secretary.

During their tenure as Director, they agree to provide the declaration of fulfillment of meeting the criteria of independence under Section 149(7) of the Act, upon any change in circumstances which may affect their status as an Independent Director.

14. Confidentiality

Any information that they would acquire during their association as Independent Director is confidential and should not be released either during your tenure or thereafter, to third parties without prior clearance of the Chairperson, save and except as may be required by law. On request, they shall surrender documents and other material provided to you by the Company.

15. Termination

Their directorship shall terminate or cease in accordance with law. They may also resign from their position at any time and should they wish to do so, they are requested to send a written notice to the Board 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 you in the notice, whichever is later.

The Appointment is subject to disengagement in accordance with the provisions of the Articles of Association of the Company, the Act and other applicable laws, rules and regulations.

16. Governing Laws

This letter is governed by, and shall be construed in accordance with laws of India.

17. Miscellaneous

No waiver or modification of this letter shall be valid unless made in writing and signed by the Independent Director and the Company.