

PIONEER EMBROIDERIES LIMITED ['the Company']
Terms and conditions of appointment of independent directors

SUB: APPOINTMENT OF INDEPENDENT DIRECTORS

Based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors ['the Board'] of **Pioneer Embroideries Limited** ['the Company'] shall approve the appointment of the Independent Directors (Independent Non-executive Directors). Their appointment shall be governed by the applicable provisions of the Companies Act, 2013, read with the rules made under the Companies Act, 2013, Articles of Association, various corporate codes, regulations, policies, applicable guidelines - regulations from Securities and Exchange Board of India, the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 etc. (as amended from time to time) [hereinafter referred to as 'the Regulations']. Anything not defined/ mentioned/ dealt with hereunder shall be construed to have been adopted from the Regulations. Terms and conditions of the appointment shall be subject to change, revision, modification at the sole discretion of the Board.

Terms of the appointment of the aforesaid Independent Directors are as follows:

Term of appointment

Independent Director shall hold office for a term up to five consecutive years, not liable to retire by rotation, and shall be subject to re-appointment as per the provisions of Sections 149, 150, 152, other applicable provisions and Schedule IV of the Companies Act, 2013 read with the Regulations.

Role, duties, responsibilities, liabilities and expectations

Role of the Independent Directors is to effectively represent, and promote the interests of shareholders with a view to adding long-term value to the Company's shares. The role, duties, responsibilities, liabilities and expectations shall be in line with the provisions of Section 166, schedule IV, of the Companies Act, 2013, Articles of Association, the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and corporate code of conduct, code of business ethics, etc. Extract of the aforesaid provisions, codes were attached herewith for their ready reference.

In the normal course of events, day to day management of the Company is left to the managing/ executive director(s) and management. Directors shall take decisions objectively in the interests of the Company. The Board as a whole is collectively responsible for the success of the Company. All directors, whether non-executive or executive, have the same general legal responsibilities.

Committee Involvement

Board committees are formed when it is efficient or necessary to facilitate effective decision- making. Letter of Appointment refers to their appointment as a director of the Company. In the event that the director(s) are serving or may be serving on one or more board committee(s), this will be addressed by a separate process and

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ensuring that they are aware of the committee's terms of reference and the responsibilities involved

Timing and location of Board Meetings, and time commitment

The Board normally meets at least once in every quarter or more at the sole discretion of the Board. Meetings usually take place at the Company's corporate office in Mumbai. The duration of each meeting typically runs for a day.

Board and Individual Director Evaluation Processes

The performance of the Board as a whole, its committees and individual directors is evaluated at regular interval. If, in the meantime, there are any matters which cause concern about their role, they can discuss them with the Chairman of the Board as soon as appropriate.

Outside interests including directorships

It is accepted and acknowledged that they may have business interests other than those of the Company. They should intimate the Board about their interests (including the interests of their relatives) as a shareholder, director, officer, partner or trustee of other companies or entities to be entered in the Company's interests register. The prescribed register for disclosure of interests will be tabled at the meeting of the Board. They shall ensure that the Company is kept informed of any changes to their interests so that the interests register can be maintained up to date.

Any director is, while holding office, at liberty to accept other board appointments so long as the appointment is not in conflict with the Company's business and does not materially interfere with their performance as a director of the Company.

Shareholdings by directors in the Company

When transacting in the securities of the Company, directors are expected to strictly observe the provisions of the Company's constitution, the Company's own internal rules, codes and all relevant legislative and regulatory procedures including, in particular, Stock Exchange listing requirements. In case of any clarification, they should get in touch with the Company Secretary.

Access to Independent Professional Advice

All directors are entitled to obtain independent professional advice relating to the affairs of the Company or to their responsibilities as directors. If they consider such advice is necessary, they should first discuss it with the Chairman. Subject to the prior approval of the Chairman.

Availability of Liability Insurance (Directors and Officers Insurance)

The Directors would be covered/indemnified as per the insurance policy of the Company.

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Remuneration

Sitting fees for attending each meeting of Board as well as the committees thereof of which you are a member, attended by you, shall be payable as decided by the Board from time to time subject to the applicable laws in this regard.

Confidentiality

All information acquired during your appointment is confidential to the Company and should not be disclosed either during their appointment or after determination of their appointment (by whatever means) to third parties except as permitted by law and with prior clearance from the Chairman.

We look forward to your continued support and guidance in our endeavor to constantly strive for better governance to ultimately work towards maximization to all stakeholders' interest and value.