

## Terms and conditions of Appointment of Independent Directors

### A. Term of appointment:

- i. Your appointment is for term of \_\_\_ ( ) years commencing with effect from \_\_\_\_\_. As an Independent Director you shall not be liable to retire by rotation.
- ii. Upon completion of the initial term of \_\_\_ ( ) years, your appointment as an Independent Director can be renewed for another term if so, recommended by the by the Board subject to relevant provisions of the Companies Act, 2013 and Rules notified thereunder. Any term of renewal shall be subject to approval of the shareholders in the General Meeting.
- iii. The term Independent Director should be construed as defined under the Companies Act, 2013 and SEBI (LODR) regulations, 2015 as amended from time to time.
- iv. You will be identified as an Independent Director as such in the Annual Report, public disclosures and other documentation. 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.

### B. Expectations of the Board and Board –level Committee(s):

- i. The Board of Directors (The Board) expects your active participation by providing vision and expert direction which will enable the company to achieve excellent performance and growth.
- ii. The Board may if deem 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.
- iii. The Board is responsible for constituting, assigning, co-opting and fixing terms of service for committee members. The chairperson of the Board, in consultation with the Company Secretary and the committee chairperson, determines the frequency and duration of the committee meetings. Recommendations of the committees are submitted to the Board for its approval.



### Sula Vineyards Limited

(formerly known as Sula Vineyards Private Limited)

Regd. Office: 901, Hubtown Solaris, N.S. Phadke Marg, Andheri (E), Mumbai 400069, Maharashtra, India.

Tel: 022-6128 0606/607 Fax: 022-2684 6064 Email: info@sulawines.com CIN: L15549MH2003PLC139352

Winery: Gat 36/2, Govardhan Village, Gangapur-Savargaon Road, Nashik 422 222, Maharashtra, India Tel: +91 253 3027777/701

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**C. Roles, Responsibilities and Duties:**

- i. As a member of the Board along with other Board members you shall be responsible for fulfilling key functions and duties as set out under section 149(6), 166 read with Schedule IV of the Companies Act, 2013, also the SEBI Listing Regulations as and whenever be applicable to the Company together with any amendments or re-enactments thereof from time to time. More particularly set out under **Annexure A** of this Letter.
- ii. You will strive to avoid occurrence of any events specified under section 164 and 167 of the Act regarding disqualifications and vacation of office.
- iii. There are certain duties prescribed for all Directors, both Executive and Non-Executive as per section 166 of the Companies Act, 2013 which are fiduciary in nature and are as under:
  - a. You shall act in accordance with the Company's Articles 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 achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
  - e. You shall not assign your office as Director and any assignments so made shall be void.

**D. Code of Conduct:**

- i. During your Tenure 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. For your ready reference, the relevant provisions have been extracted and set out in **Annexure A** to this letter.

**E. Directors and Officers (D&O) Liability Insurance:**

- i. The Company maintains a Directors and Officers Insurance policy (D&O) to pay for the personal liability of Directors and officers for claims made against them while serving on Board and /or as an officer of the Company.



**Sula Vineyards Limited**

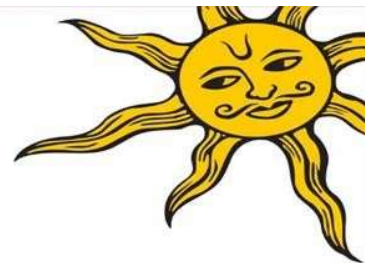
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**F. Remuneration:**

- i. Subject to the provisions of sections 197 and 198 of the Companies Act, 2013 you will be entitled to sitting fees of Rs. 100,000/- (Rupees One Lakh only) for attending each meeting of the Board and Committees.

**G. Disclosure of Interest:**

- i. As per the provision of the Companies Act, 2013, and as amended from time to time, the Company must note any material interest that a director may have 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 a Board meeting so that the minutes may record your interest appropriately. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.

**H. Confidentiality:**

- i. All information acquired during your appointment is confidential to the Company and should not be released, either during your appointment or following resignation/termination (by whatever means) to any person or company without prior clearance from the Board unless required or mandated by law or by the rules of any stock exchange or regulatory as may be.
- ii. Your attention is drawn to the requirements under the regulation as to the disclosure of price-sensitive information, and you should avoid making any such statements that may risk a breach of the requirements without prior clearance from the Board.

**I. Re-appointment/Resignation/Termination:**

- i. 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.
- ii. An Independent Director may resign from his/her office by giving a notice in writing to the company and the Board shall on receipt of such notice take note of the same and the company shall intimate the Registrar of Companies as required under Companies Act, 2013.
- iii. Your appointment may also be terminated in accordance with the provisions of the Companies Act, 2013, and as per the Articles of Association of the Company from time to time in force.



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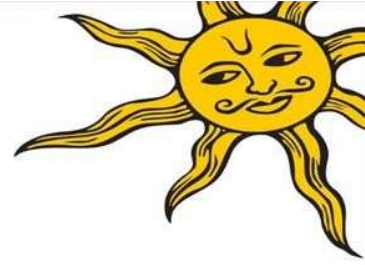
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**J. Review process:**

- i. The performance of independent directors and the whole Board and its committees shall be evaluated annually. Any proposal of re-appointment of independent director shall be on the basis of report of performance evaluation.

We are confident that the Board and the Company will benefit immensely from your vast experience and remarkable contributions.

Please confirm your agreement to the above by signing and returning to us the enclosed duplicate of this letter.

**For and on behalf of Sula Vineyards Limited**

**Company Secretary**

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**AGREE AND ACCEPT**

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

Date:

Place:



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## Annexure A

These requirements are a guide to professional demeanour of independent directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly shareholders, regulators and companies in the institution of independent directors.

### **I. Role and functions of an Independent Director as per Schedule IV of the Companies Act, 2013**

The independent director shall:

- help 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;
- bring an objective view in the evaluation of the performance of board and management;
- scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- safeguard the interests of all stakeholders, particularly the minority shareholders;
- balance the conflicting interest of the stakeholders;
- 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;
- moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

### **II. Duties of an Independent Director as per Schedule IV of the Companies Act, 2013:**

The independent director shall:

- undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- 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;
- strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- participate constructively and actively in the committees of the Board in which they are chairpersons or members;



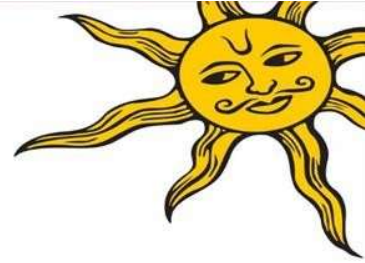
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- strive to attend the general meetings of the company;
- where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- keep themselves well informed about the company and the external environment in which it operates;
- not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 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;
- 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;
- report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- act within their authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- 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.

### **III. Guidelines for professional Conduct for an Independent Director as per Schedule IV of the Companies Act, 2013:**

The independent director shall:

- uphold ethical standards of integrity and probity;
- act objectively and constructively while exercising his duties;
- exercise his responsibilities in a bona fide manner in the interest of the company;
- devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- not allow any extraneous considerations that will vitiate his 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;
- not abuse his 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;
- refrain from any action that would lead to loss of his independence;
- where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- assist the company in implementing the best corporate governance practices.



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