



To

Non-Executive Independent Director

Dear Sir/Ma'am,

We are pleased to inform you that upon the approval of Board of Directors, you are being appointed as an Independent Director on the Board of the Company with effect from ____, ____.

This letter sets out the broad terms of your appointment as an Independent Director, on the Board of the Company.

1. Appointment

- 1.1 You have been appointed as a Non-Executive Independent Director on the Board of House of Kieraya Limited for a period of five years with effect from ____ to _____. The appointment shall be governed by the provisions of the Companies Act, 2013 and rules made thereunder, as amended from time to time.
- 1.2 The term 'Independent Director' should be construed as defined under the Companies Act, 2013.
- 1.3 The appointment is also subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013.
- 1.4 As an Independent Director you will not be liable to retire by rotation.
- 1.5 The Company has adopted the provisions with respect to the appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013. 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.
- 1.6 The provisions contained in the Companies Act, 2013 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. Committee

- 2.1 The Board of Directors may, if it deems fit, invite you for being appointed on one or more Board constituted Committees as may be decided by the Board from time to time.
- 2.2 As on the date of this letter, you are the Member of _____ Committee of the Board of Directors.

House of Kieraya Limited
(Formerly known as House of Kieraya Private Limited)

CIN: U71210KA2012PLC063617 | **Registered Address:** 2nd, 3rd, 4th Floor, Krishna Annex, Sy No. 8/12, 9/183, Opp. Central Silk Board Junction, Hosur Road, Sector - 6, HSR Layout, Bangalore - 560068, Karnataka, India.
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3. Time Commitment

- 3.1 It is expected from you 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.

You will be expected to attend Board, Committees meetings 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 duties effectively.

4. Role, Duties and Responsibilities

- 4.1 As a Non-Executive Independent Director, you have certain responsibilities towards the Company, its stakeholders and other Board members. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:
- i) To act in accordance with the Company's Articles of Association.
 - ii) To 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.
 - iii) To discharge your duties with due and reasonable care, skill and diligence.
 - iv) To 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 6 for full explanation on conflict of interest.
 - v) To not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
 - vi) To not assign your office as Director and any assignments so made shall be void.
- 4.2 The Non-Executive Independent Directors are also required to abide by the provisions of 'Code for Independent Directors' as provided in Schedule IV of the Companies Act, 2013, a copy of which is annexed for ready reference.

5. Remuneration

- 5.1 Your annual remuneration is as under:
- i) sitting fees for attending each meeting of the Board and its Committees as may be determined by the Board from time to time, and
 - ii) commission that may be determined by the Board payable at the end of each financial year will be based on the performance of the Company and your performance evaluated by the Board of Directors.



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5.2 You will be entitled to reimbursement of expenses incurred by you in connection with attending the Board meetings, Committee meetings, General meetings and in relation to the business of the Company towards hotel accommodation, travelling and other out-of-pocket expenses.

5.3 Pursuant to applicable law, you will not be entitled to any stock options.

6. Conflict of Interest

6.1 It is accepted and acknowledged that the Independent Directors may have the business interests other than those of the Company. You are required to declare any such directorships, appointment and interests to the Board.

6.2 During the term, you agree to promptly provide a declaration under Section 149(7) of the Act, upon any change in the circumstances which may affect their status as an Independent Director. Further, you also agree to confirm, individually, compliance with the said criteria of independence every financial year, along with a confirmation that they are not aware of any circumstance or situation, which exist or may reasonably anticipated, that could impair their ability to discharge duties with an objective independent judgment and without any external influence.

6.3 During the term, you agree to keep your name included in the databank of Independent Directors and comply with the other conditions prescribed under the Companies (Appointment and Qualifications of Directors) Rules, 2014.

7. Confidentiality

7.1 All the information acquired during your term of appointment relating to the Company and its business including legal, financial, technical, commercial, marketing and business-related records, data, documents, reports, etc., client information, intellectual property rights (including trade secrets), will be confidential information and should not be released to third parties.

7.2 Disclosure of Confidential Information required by law or by orders/ rules of a regulatory body shall be made with prior consent of the Chairman.

8. General

8.1 This letter of appointment 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.

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



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- 8.3 For any questions or clarifications with respect to terms of appointment contained herein, please contact the Managing Director and Company Secretary.

Yours sincerely,

For and on behalf of House of Kieraya Limited

Managing Director

I hereby acknowledge receipt of and accept the terms set out in this letter.

Signed _____

CODE FOR INDEPENDENT DIRECTORS

The Code is a guide to professional conduct for 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 minority shareholders, regulators and companies in the institution of independent directors.

I. Guidelines of professional conduct:

An independent director shall:

- 1) uphold ethical standards of integrity and probity;
- 2) act objectively and constructively while exercising his duties;
- 3) exercise his responsibilities in a *bona fide* manner in the interest of the company;
- 4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- 5) 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;
- 6) 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;
- 7) refrain from any action that would lead to loss of his independence;
- 8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- 9) assist the company in implementing the best corporate governance practices.

II. Role and functions:

The independent directors shall:

- 1) 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;
- 2) bring an objective view in the evaluation of the performance of board and management;
- 3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- 4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;

- 5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- 6) balance the conflicting interest of the stakeholders;
- 7) 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;
- 8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

III. Duties :

The independent directors shall—

- 1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- 2) 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;
- 3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- 4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- 5) strive to attend the general meetings of the company;
- 6) 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;
- 7) keep themselves well informed about the company and the external environment in which it operates;
- 8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 9) 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;
- 10) 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;
- 11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;

- 12) act within their authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- 13) 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.

IV. Manner of appointment:

- 1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- 2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- 3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
- 4) The appointment of independent directors shall be formalised through a letter of appointment, which shall set out :
 - (a) the term of appointment;
 - (b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
 - (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - (d) provision for Directors and Officers (D and O) insurance, if any;
 - (e) the Code of Business Ethics that the company expects its directors and employees to follow;
 - (f) the list of actions that a director should not do while functioning as such in the company; and
 - (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- 5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- 6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

V. Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

VI. Resignation or removal:

- 1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- 2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within three months from the date of such resignation or removal, as the case may be.
- 3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

VII. Separate meetings:

- 1) The independent directors of the company shall hold at least one meeting in a financial year, without the attendance of non-independent directors and members of management;
- 2) All the independent directors of the company shall strive to be present at such meeting;
- 3) The meeting shall:
 - (a) review the performance of non-independent directors and the Board as a whole;
 - (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
 - (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

VIII. Evaluation mechanism:

- 1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- 2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.