On the letter head of the Company

Date: November 24, 2021

To
(Name of Independent Director)
Address of Independent Director

Sub: Appointment as an Independent Director

(Pursuant to Schedule IV to the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

We thank you for your confirmation to FABINDIA LIMITED *(formerly known as Fabindia Overseas Private Limited)* ("**Fabindia/ the Company**") that you meet the "Independence" criteria as mentioned in Section 149 of the Companies Act, 2013 **("Companies Act")** read with related rules thereon and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR Regulations**"), and also for your consenting to hold office as a Director on the board of directors of the Company ("**Board**").

Keeping in view your above mentioned confirmation and subject to the approval of the shareholders of the Company at their meeting to be held on December 18, 2021, we are pleased to inform you that you have been appointed as an Independent Director on the Board for a term of three consecutive years, commencing from November 24, 2021. This letter of appointment ("**Letter**") sets out the terms of your appointment as an Independent Director of the Company.

Your term of appointment shall be subject to the provisions of the Companies Act, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR Regulations**") and Articles of Association of the Company ("**Articles**") and other applicable laws.

1. Appointment

Your appointment will be for an initial term of three consecutive years, commencing from November 24, 2021. The term will be subject to your meeting the criteria for being an Independent Director, and not being disqualified to become Director, under the applicable laws. As an Independent Director, you will not be liable to retire by rotation.

You may be eligible for re-appointment at the end of the term, as per provisions of law, based on the recommendation of the Nomination and Remuneration Committee of the Board and subject to the approval of Board and shareholders of the Company, which shall be based upon the report of your performance evaluation by the Board, subject to you continuing to fulfill the criteria of being an Independent Director and not being disqualified to be a Director, under applicable laws.

The Board may, if it deems fit, invite you for being appointed on one or more existing Committees of the Board or any such Committee that is set up in the future. The appointment on such Committee(s) will be subject to applicable laws governing the Company. All intimation in this regard shall be duly communicated to you.

You are going to be a Non-Executive Director and will be identified as an 'Independent Director' in the annual report and other filings and documentation of the Company. If circumstances change, and you believe that your independence is in doubt, you shall discuss the same with the Chairman, Vice- Chairman and Company Secretary of the Company as soon as practicable.

Only an Independent Director can be appointed as Alternate Director and no person shall be appointed as Alternate Director (Independent) by you, at your place, unless such person fulfills the criteria for being an independent director under the Companies Act.

On the letter head of the Company

2. Duties and Liability

As a member of the Board, along with other Directors, you will be collectively responsible for meeting the objectives of the Board, which include compliance of:

i. requirements under the Companies Act;
ii. "Responsibilities of the Board", as outlined in the Corporate Governance requirements as prescribed under SEBI LODR Regulations;
iii. accountability under the Director's Responsibility Statement;
iv. overseeing the maintenance of high standard of values and ethical conduct of business of the Company; and
v. protecting and maintaining the brand of the Company.

You shall abide by the 'Code for Independent Director' as outlined in Schedule IV to Section 149(8) of the Companies Act, and duties of directors as provided in the Companies Act (including Section 166) and in SEBI LODR Regulations. For your ready reference, the relevant provisions have been extracted and attached to this Letter as **Annexure-I.**

You are expected to perform your fiduciary, statutory and common law duties in a responsible, faithful and diligent manner, and your general legal responsibilities to the Company will be at par with a Non-Executive Director.

As an Independent Director, you will be held liable only in respect of such acts of omission or commission by the Company which has occurred with your knowledge, attributable through Board processes, and with your consent or where you, as an Independent Director, have not acted diligently. You will also be responsible for providing guidance in the area of your expertise to the Company.

3. Time Commitment

Considering the nature of the role of a director, it is difficult for a company to lay down specific parameters on time commitment. As a Non-Executive Director, you are expected to devote such time as may be considered prudent and necessary for the performance of your duties as an Independent Director. You are expected to attend the meetings of the Board and Committees of the Board of which you are a member and of the shareholders.

By accepting this Letter, you confirm that you shall be able to allocate sufficient time to meet the expectations of your role as an Independent Director of the Company.

4. Status of Appointment and Remuneration

A. <u>Status of appointment</u>

You will not be an employee of the Company and this Letter shallnot constitute contract for employment in the Company. There will be no relationship of employer and employee between you and the Company as a consequence of your appointment as an Independent Director of the Company. Your status, during your tenure as an Independent Director of the Company, shall be that of an independent contractor and not, for any purpose, that of an employee or agent with authority to bind the Company in any respect.

B. Remuneration

Subject to the approval by the members of the Company at their meeting to be held on December 18, 2021, your base remuneration is as follow:

INR 2,00,000/- (Rupees Two Lakhs only) per month as Base Remuneration with effect from November 24, 2021 for a period of 3 Financial years, i.e., FY 2021-22, 2022-23 and 2023-24, excluding sitting fees and reimbursement of expenses.

You shall be paid sitting fees of INR 1,00,000/- (Rupees One Lakh only) for attending the meetings of the Board and the Committees on which you are a member as decided by the Board from time to time, subject to the provisions of the Companies Act. In addition, you will also be entitled for reimbursement of travel, hotel and other fair and reasonable incidental expenses incurred by you in the performance of your roles and duties for the Company, at actuals, as per provisions of the Companies Act in conjunction with rules and policies of the Company.

However, as an independent director, you shall not be entitled to:

(i) stock options under the Company's Stock Option Plan/ shares under Company's Share Purchase Scheme,
(ii) compensation for loss of office of the Independent Director.

5. Termination

Your directorship on the Board shall terminate on the expiry or the term or terminate or cease in accordance with applicable law. Apart from grounds of termination as specified in the Companies Act, your directorship may be terminated for violation of any provision of the Code of Conduct of the Company as applicable to Non-Executive Directors.

You may resign from the directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation. The resignation shall take effect from the date on which the notice is taken on record by the Board or the date, if any, specified by you in the notice, whichever is later. However, you are required to comply with the provisions of the Section 168 of the Companies Act.

If at any stage during the term, there is change that may affect your status as an Independent Director as envisaged in Section 149(6) of the Companies Act or, if applicable, you fail to meet the criteria for "independence" under provisions of SEBI LODR Regulations, you agree to promptly submit your resignation to the Company with effect from date of such change.

6. Insurance

You would be covered and indemnified as per Director and Officer Liability Insurance Policy obtained by the Company from time to time.

7. Disclosure of Interest/Independence

You are required to disclose your interest or concern in any companies, bodies corporate, firms or association of persons through a general notice of disclosure of interest at the first Board meeting held in the beginning of every financial year and thereafter immediately in case of any change of interest from time to time.

During your tenure as an Independent Director of the Company, at the end of every financial year, you are required to give a declaration that you meet the criteria of "independence" as provided under the provisions of the Companies Act and the SEBI LODR Regulations. You are also required to promptly disclose to the Chairman, Vice-Chairman and the Company Secretary of the Company upon becoming aware of any potential conflict of interest with your position as an Independent Director of the Company.

Further, during your tenure as an Independent Director of the Company, you are required to submit all statutory disclosures/confirmations required to be made under applicable laws and policies of the Company. During your term, you agree to promptly provide a declaration under Section 149(7) of the Companies Act, upon any change in circumstances which may affect your status as an Independent Director.

8. Code of Conduct

You are required to comply with the Code of Conduct for Independent Directors as provided under the Code of Conduct for Board and the Senior Management Personnel, Code for Independent Directors (Schedule IV to the Companies Act), and Company's Code of Conduct for Prevention of Insider Trading under SEBI (Prohibition of Insider Trading) Regulations, 2015.

Further, you will also be required to comply with applicable provisions of any code of conduct framed by the Board for all Board members and Senior Management of the Company under the SEBI LODR Regulations.

9. Confidentiality

All information acquired during the tenure of appointment is confidential to Fabindia and should not be released, either during the appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman and Vice - Chairman of the Company unless required by law or by the rules of any stock exchange or regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by Fabindia.

You agree and acknowledge that during the course of your appointment as an Independent Director of the Company, you may have access to certain confidential information, which may constitute unpublished price sensitive information. You hereby agree that you shall comply with the provisions of the Companies Act, and the Code of Conduct for Prevention of Insider Trading of the Company under SEBI (Prohibition of Insider Trading) Regulations, 2015, as the Company may adopt from time to time.

10. Evaluation/Review

The performance of individual directors, the whole Board and its committees is evaluated annually. If, in the interim, there are any matters which cause you concern about your role, you should discuss them with the Chairman, Vice Chairman and Company Secretary of the Company as soon as you can.

The performance of individual directors shall be evaluated by the entire Board, excluding the director being evaluated, on an annual basis as per requirements of the Companies Act and SEBI LODR Regulations.

As a member of the Board, your performance as well as the performance of the entire Board and its Committees shall be evaluated annually. Evaluation of each director shall be done by all the other directors. The criteria for evaluation shall be determined by the Nomination and Remuneration Committee and disclosed in the annual report of the Company. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board /Committee.

Such evaluation criteria will broadly include:

(i) performance of the Independent Director; and
(ii) fulfillment of the independence criteria as specified in the Companies Act and the SEBI (LODR) Regulations and his/ her independence from the management.

11. Trainings

As an Independent Director, you will be invited to attend ongoing training and familiarization sessions for directors, as per the SEBI LODR Regulations.

On the letter head of the Company

12. Miscellaneous

i. No waiver or modification of this Letter shall be valid unless made in writing and signed by you and the Company.
ii. As per the SEBI LODR Regulations, if applicable, this Letter along with your detailed profile shall be disclosed on the website of the Company and the relevant stock exchange(s).
iii. The independent directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management to discuss such matters as may be specified in the Companies Act read with SEBI LODR Regulations. All the independent directors of the Company shall strive to be present at such meeting.
iv. During the term, you shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

13. Governing Law

This Letter and any non-contractual obligation arising out of or in connection with this Letter are governed by and will be interpreted in accordance with Indian law and the engagement shall be subject to the exclusive jurisdiction of the courts in New Delhi, India.

14. Acceptance of Appointment

We are confident that the Board and the Company will benefit immensely from your rich experience and we are eager to have you as an integral part of the growth of our company. If these terms of appointment are acceptable to you, please confirm your consent to the above by signing and returning.

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On the letter head of the Company

Annexure-I

Duties of Directors (Section 166 of the Companies Act)

(1) Subject to the provisions of this Act, a director of a company shall act in accordance with the articles of the company.

(2) 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.

(3) A director of a company shall exercise her/his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.

(4) 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.

(5) A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his/her 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.

(6) A director of a company shall not assign his/her office and any assignment so made shall be void.

(7) If a director of the company contravenes the provisions of this section such director shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.

Schedule IV [Section 149(8 of the Act)]

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 2["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 3["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.

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