

LETTER OF APPOINTMENT AS NON-EXECUTIVE INDEPENDENT DIRECTOR

Date: [.]

To,
[.]

We, on behalf of Le Merite Exports Limited (“LMEL”) write to inform that you are appointed as a Non-Executive Independent Director on the Board of Directors of LMEL with effect from [.] The Board of Directors of LMEL has approved your appointment as per the provisions of Sections 149, 150 and 152 read with Schedule IV of the Companies Act, 2013. This letter of appointment sets out the terms and conditions covering your appointment which are as follows:

I. Appointment:

- A.** Your appointment is subject to the maximum permissible Directorships that one can hold as per the provisions of Section 165 of the Companies Act, 2013 and the Clause 49 of the Listing Agreement.
- B.** The term Independent Director should be construed as defined under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.
- C.** The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the Listing Agreement. Accordingly, you shall hold office for five consecutive years for a term up to [.] The Company is at liberty to disengage Non Executive Independent Director earlier subject to compliance of relevant provisions of Companies Act, 2013.
- D.** Your performance shall be evaluated by the Board annually.

II. Committees:

The Board shall look forward to your active participation in the Board and Committee Meetings and facilitate to bring independent judgment to the Board.

III. Time Commitment:

- As a Non-Executive Director you are expected to bring objectivity and independence of view to the Board's discussions and to facilitate 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. The Board and Audit Committee meetings are to be held at least four times in a year. You will be expected to attend Board Meetings, Committee Meetings of the Board to which you are a member/may be appointed as a member and Shareholders' Meetings. You shall devote such time to your duties, as may be appropriate for you to discharge your duties effectively. Ordinarily, all meetings are held in Mumbai.
- By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.

IV. Role and Duties:

Your role and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 and the Listing agreement. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:

- i. You shall act in accordance with the provisions of the Companies Act, 2013, the Listing Agreement and Company's Articles of Association.
- ii. 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.
- iii. You shall discharge your duties with due and reasonable care, skill and diligence.



- iv. You shall 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.
- v. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
- vi. You shall not assign your office as Director and any assignments so made shall be void.

In addition to the above requirements applicable to all Directors, the role of the Non-Executive Director has the following key elements:

Strategy: Independent Directors to constructively contribute to the development of the Company's strategy;

Performance: Independent Directors to oversee the performance of the Management in meeting agreed goals and objectives and monitor the reporting of performance.

Risk: Independent Directors to evaluate and ensure that financial information is accurate, and should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;

People: Independent Directors are responsible for determining appropriate levels of remuneration of Executive Directors and the process of succession planning and also have a prime role in appointing, and where necessary, removing Senior Management;

Reporting: Independent Directors take responsibility for the processes for accurately reporting on performance and the financial position of LMEL; and

Compliance: Independent Directors should keep governance and compliance with the applicable legislation and regulations under review and the conformity of LMEL practices to accepted norms.

V. Remuneration:

You will be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board on recommendation of Nomination and Remuneration Committee.

The payment of sitting fees will be within the limits mandated under the Companies Act, 2013 and Rules made thereunder (as amended from time to time).

VI. Reimbursement of Expenses:

In addition to the remuneration described in above paragraph V, the Company will, for the period of your appointment, reimburse you for travel, hotel and other incidental expenses incurred by you in the performance of your role and duties.

VII. Confidentiality:

- All information acquired during your appointment is confidential and should not be released, either during your appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman unless required by law or by the rules of any stock exchange or regulatory authorities. On reasonable request, you shall surrender any documents and other materials made available to you by LMEL.
- This restriction shall cease to apply to any confidential information which may (other reason of your breach) become available to the public generally.
- You acknowledge the need to hold and retain company information (in whatever format you receive it) under appropriately secure conditions
- You will not, except with the prior written consent of the Company, be in any way connected with or interested in any business in competition with that of the Company. This does not prevent you from holding equity or other securities in other companies, however it is expected that you will not serve on the Boards of competing companies.

- Your attention is also drawn to the requirements under the applicable regulations and the *Le Merite Exports Limited- Code of Conduct for Board Members and Senior Management Executives*, and also *Le Merite Exports Limited - Code of Conduct for Prohibition of Insider Trading* which concern the disclosure of price sensitive information and dealing in the securities of LMEL. Consequently, you should avoid making any statements or performing any transactions that might risk a breach of these requirements.

VIII. Disclosure of Interest:

The Company must include in its Annual Accounts a note of 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 and our records are updated. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.

IX. Termination:

- A. You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice to the Board.
- B. Continuation of your appointment shall be subject to the applicable Policy of the Company in force from time to time and 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 in force. You will not be entitled to compensation if the shareholders do not re-elect you at any time.
- C. Your directorship on the Board of the Company shall terminate or cease in accordance with the provisions of the Companies Act, 2013, the Equity Listing Agreement and the Articles of Association of the Company. Without prejudice to the generality of the foregoing, your directorship on the Board of the Company would terminate if:
 - (i) your performance is found to be unsatisfactory



- (ii) you fail to make substantive contributions in your capacity as a member of the Board of the Company;
- (iii) your professional integrity is compromised or seen to be compromised;
- (iv) your conduct is unbecoming of a director of the Company; and
- (v) you fail to meet the legal requirements applicable to an independent director of the Company, including with respect to who constitutes an 'independent director'.

X. Contract:

It is agreed that this is a contract for services and is not a contract of employment. This agreement 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.

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

Yours sincerely,

Sd/-

Name:

Designation:

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

Signed:

Name:

Dated:



LE MERITE EXPORTS LIMITED

REGISTERED OFFICE: B-1/104d, Boomerang Building 1st Floor, Chandivali Farm Road, Andheri East 400072

TEL NO: 022-28579207/08/09

EMAIL: compliance@lemeriteexports.com

CODE OF CONDUCT FOR INDEPENDENT DIRECTORS

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LATH,
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❖ PREFACE

The purpose of this Code is to align the duties and responsibilities of independent directors of the Company with the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly, the independent directors should read and understand this Code, uphold these standards, comply with all applicable laws, rules and regulations and all policies, programmes and codes adopted by the Company:

❖ 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 bonafide 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 judgement in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgement 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 of directors of the Le Merite Exports Limited (the “Company”) accordingly;
9. assist the company in implementing the best corporate governance practices.

❖ ROLE AND FUNCTIONS:

An independent director shall:

1. help in bringing an independent judgement 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. scrutinize 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 of 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

❖ DUTIES:

An independent director 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 and of the Board committees of which he / she 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.

❖ MANNER OF APPOINTMENT:

- (i). 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.

- (ii). The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- (iii). 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 fulfills the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
- (iv). The appointment of independent directors shall be formalized through a letter of appointment, which shall set out
 - a) the term of appointment;
 - b) the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - c) provision for Directors and Officers (D and O) insurance, if any;
 - d) the list of actions that a director should not do while functioning as such in the company; and
 - e) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- (v). 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.
- (vi). The terms and conditions of appointment of independent directors shall also be posted on the company's website.

❖ RE-APPOINTMENT:

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

❖ RESIGNATION OR REMOVAL:

- (i). 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.
- (ii). 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.
- (iii). 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.

❖ SEPARATE MEETINGS:

- (i). 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;
- (ii). All the independent directors of the company shall strive to be present at such meeting;
- (iii). 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.

❖ **EVALUATION MECHANISM:**

- (i). The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- (ii). 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.

❖ **INSIDER TRADING:**

- (i). In the normal course of business, independent directors of the Company are in possession of unpublished price sensitive information, which is the property of the Company. The independent director shall not profit from the buying or selling of securities for him/herself.
- (ii). The independent director is not to tip others to enable them to profit or for them to profit on his/ her behalf.
- (iii). The purpose of this Code is
 - (i) to inform the independent directors of their legal responsibilities and
 - (ii) to inform them that the misuse of sensitive information is contrary to Company policy and applicable Indian securities laws.
- (iv). As per the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (the “**Insider Trading Regulations**”), it is prohibited to deal in the securities of the Company during the period that trading window of the Company is closed.
- (v). Further, no insider shall trade in the securities of the Company, when in possession of unpublished price sensitive information.

You should read the Insider Trading Regulations carefully, paying particular attention to the specific policies and the potential criminal and civil liability and/ or disciplinary action for insider trading violations. Every independent director should comply with the Insider Trading Regulations.

❖ **WAIVERS AND AMENDMENTS OF THE CODE:**

The Board reserves the power to review and amend this Code from time to time. All provisions of this Code would be subject to revision / amendment in accordance with applicable law as may be issued by relevant statutory, governmental and regulatory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant statutory, governmental and regulatory authorities are not consistent with the provisions laid down under this Code, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder.



LE MERITE EXPORTS LIMITED

REGISTERED OFFICE: B-1/104d, Boomerang Building 1st Floor, Chandivali Farm Road, Andheri East 400072

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FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Digitally signed by ABHISEK LATH
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c=IN, email=ABHISEK.LATH,
serialNumber=30466f3d26f294d
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**ABHISEK
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INTRODUCTION

In accordance with the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “Listing Regulations”), the Board Of Directors (the “Board”) of Le Merite Exports Limited (the “Company”), has adopted a familiarization programme for independent directors of the Company (the “Independent Directors”), to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes. The Board is further encouraged to continue the training sessions to ensure that the Board members are kept up to date.

❖ OVERVIEW OF THE FAMILIARISATION PROGRAMME

Upon appointment, the Directors are provided a letter of appointment, explaining the role, function, duties and responsibilities as a Director. The Company conducts an induction programme to familiarize the Independent Director who has joined the Company, to provide insight on the business and operations of the Company and to familiarize them with the industry in which it operates. The independent directors are provided an overview of:

1. Criteria of independence applicable to Independent Directors in accordance with the Companies Act, 2013, as amended and the rules made thereunder and the Listing Regulations;
2. Compliance personnel/achievers, on whom reliance can be placed by the Independent Directors;
3. Time allocation by the Independent Directors on financial controls, overseeing systems of risk management, financial management compliance, corporate social responsibility, stakeholders’ conflicts, Board effectiveness, strategic direction, meetings and performance assessment;
4. Roles, functions, duties, responsibilities and liabilities of Independent Directors;
5. Directors Responsibility Statement forming part of Boards’ Report;
6. Vigil Mechanism including policy formulation, disclosures, code for Independent Directors, fraud response plan, obtaining Audit Committee approval, wherever required;
7. Risk Management systems and framework;
8. Board evaluation process and procedures;
9. Dealing with related party transactions under the Companies Act, 2013 and the Listing Agreement;
10. Internal financial controls and
11. Loans and Investments under the Companies Act, 2013, as amended.

The Company facilitates the familiarization of the members of its Board with the industry and its operations. The Company follows a structured orientation and training programme for the

Independent Directors to help them get a deep understanding of the Company's operations, policies, its stakeholders, senior management team, risks profile and growth opportunities.

Details of various familiarization programmes for Independent Directors are highlighted below:

A. INDUCTION ON JOINING THE BOARD OF DIRECTORS OF THE COMPANY:

Conducting introductory programme and sharing of the following documents with the new Director of the Company for his / her references:

1. Memorandum of Association and Articles of Association of the Company
2. Annual Reports of last three consecutive years
3. Code of Conduct for Directors and senior managerial personnel
4. Note on Directors' roles and responsibilities
5. Policy Handbook of the Company comprising of policies on various business aspects and practices Organizational chart of the Company and the profile of all the Directors and the senior managerial personnel of the Company.
6. List of contact details of the Directors, senior managerial personnel and their personal/ executive assistants.
7. Material of the Company that explains the nature of products, production process, etc.
8. Note on the budget of the Company for the particular Financial Year

B. PROCESS OF FAMILIARISATION FOLLOWED BY THE COMPANY ON A CONTINUOUS BASIS

1. All the Independent Directors are made aware of their roles and responsibilities at the time of appointment through a formal letter of appointment, which also stipulates various terms and conditions of their engagement.
2. The members of the management team make presentations to the Independent Directors which inter alia covers the industry scenario, strategic priorities for the Company and the business model of the Company

C. KNOWLEDGE TRANSFER SESSIONS FROM TIME TO TIME

The Company management may organize presentations for the Independent Directors to apprise them of key changes in regulations impacting the Company or the functioning, roles and responsibilities of the Board members especially relating to the following:

1. Roles, rights, responsibilities in the Company on the introduction of the Companies Act, 2013, as amended and the rules made thereunder and Listing Regulations.
2. Updates on relevant statutory changes in laws concerning the Company.
3. Updates on related party transactions and their rationale, pending legal proceedings, various policies and standard operating procedures of the Company, entity level risk, risk mitigation plans, etc.

❖ **DISCLOSURE**

Familiarization programme will be conducted continuous basis during the year, and shall be disclosed on the website of the Company. A weblink thereto shall also be provided in the annual report of the Company.

❖ **POLICY REVIEW AND AMENDMENTS**

The Board reserves the power to review and amend this Policy from time to time. All provisions of this Policy would be subject to revision / amendment in accordance with applicable law as may be issued by relevant statutory, governmental and regulatory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant statutory, governmental and regulatory authorities are not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder

**ABHISEK
K LATHA**
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