



# YUG DECOR LIMITED

CIN: L24295GJ2003PLC042531

Approved by: Board of Directors on May 27, 2025

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**TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS OF THE COMPANY IN ACCORDANCE WITH THE REQUIREMENTS OF SCHEDULE IV OF THE COMPANIES ACT, 2013 AND THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, WHEREVER APPLICABLE**

## **TERMS AND CONDITIONS:**

### **1) APPOINTMENT:**

- (a) Your appointment is for a term of \_\_\_\_ year(s) commencing from \_\_\_\_\_), on non-rotational basis unless otherwise terminated earlier by either side in terms of Section 168 or Section 169 of the Act, as applicable. Any re-appointment for the another term shall be on the basis of report of performance evaluation done by the Board based on the criteria laid down by Nomination and Remuneration Committee.
- (b) You shall abide by the ‘Code for Independent Directors’ as outlined in Schedule IV of the Companies Act, 2013.
- (c) The Board, in order to derive benefit out of rich and varied experience, may request and nominate you to serve on one or more committees of the Board during your tenure.
- (d) The Board expects you to dedicate sufficient time and attention towards the business affairs of the Company and participate actively/ constructively in;
  - All meetings of the Board;
  - Committee(s) in which you are a member or Chairperson;
  - General meetings of the Company; and
  - Annual Meeting of the Independent Directors.
- (e) By accepting the Appointment, you confirm that you will be in a position to allocate sufficient time to meet the expectations of your role as an Independent Director.

### **2) ROLE:**

- (a) In addition to the role specified under Schedule IV of the Act, you are expected to bring an independent judgment to the Board’s deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.

- (b) You are further expected to provide an objective view in the evaluation of performance of Board and Management and further scrutinize the performance of Management in meeting agreed goals and objectives.

**3) DUTIES:**

- (a) You will adhere to the below mentioned Duties as specified under Section 166 of the Act in addition to the duties mandated under Schedule IV of the Act:
- i. Subject to the provisions of this Act, shall act in accordance with the articles of the Company.
  - ii. 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 and the community and for the protection of environment.
  - iii. Shall exercise your duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
  - iv. Shall not involve 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. Shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners, or associates and if found guilty of making any undue gain, you shall be liable to pay an amount equal to that gain to the Company.
  - vi. Shall not assign your office and any assignment so made shall be void.
- (b) In addition to the above, you shall abide by the Code of Conduct devised by the Company for the Board.

**4) LIABILITIES:**

As an Independent Director of the Company you shall have the same responsibility like any other Director on the Board. However you shall be held liable, only in respect of such acts of omission or commission by a Company which had occurred with your knowledge, attributable through Board processes, and with your consent or connivance or where you had not acted diligently.

**5) FEES/ COMMISSION/REIMBURSEMENT OF EXPENSES:**

- (a) Subject to the provisions of the Act and Articles of Association of the Company, you will be paid sitting fees for attending the meetings of the Board and the Committees as may be decided by the Board from time to time, subject to the overall ceiling as prescribed in the Act/ Rules as applicable.
- (b) You shall not be entitled to any Stock Options that may be issued by the Company in future.

- (c) During your tenure of appointment as an Independent Director, the Company may seek your professional advice/ service if required on certain issues whenever appropriate, at the Company's expense.

#### **6) TRAINING AND DEVELOPMENT:**

The Company may, if required, conduct formal training program for its Independent Directors. The Company may, as may be required, support Directors to continually update their skills and knowledge and improve their familiarity with the company and its business. The Company will fund/arrange for training on all matters which are common to the whole Board.

#### **7) OTHER COMPLIANCES:**

- (a) During your tenure as an Independent Director you will comply with all applicable and related provisions of the Act, and any other applicable law or regulation in force.
- (b) You are requested to maintain limits of Directorship / Committee membership as required under Section 165 of the Act read with the applicable rules made thereunder. Further you may inform the Company about appointment/cessation of Directorship / committee membership in the requisite format to be provided by the Company.
- (c) At the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect your status as an independent director, you are required to give a declaration to that effect confirming that you meet the criteria of independence (as required under Section 149(6) of the Act to the effect that you meet the criteria of Independence as required under Section 149(7) of the Act.)
- (d) You are requested to furnish disclosure of interest to the Company as required under Section 184 and 164(2) of the Act as well as avoid any conflicts.
- (e) You shall attend the Annual meeting of Independent Directors and discuss the agenda as provided in Schedule IV of the Act.
- (f) During your tenure with the Company in case you get disqualified as provided in Sec 164(1) of the Act, you are requested to intimate the Company.
- (g) You are also requested to ensure that the conditions as prescribed under Sec 167 of the Act are not violated resulting in vacation of your office.

#### **8) CONFIDENTIALITY:**

- (a) You acknowledge that all information acquired during your appointment is confidential to the Company and should not be released, communicated, nor disclosed either during your appointment or following termination (by whatever means), to third parties without prior clearance from the Board of Directors of the Company.

- (b) Upon termination of your appointment with the Company (for whatever cause), you shall deliver to the Company all documents, records, papers or other company property which may be in your possession or under your control, and which relate in any way to the business affairs of the Company, and you shall not retain any copies thereof.

**9) REVIEW PROCESS:**

- (a) Your performance as an Independent Director will be evaluated by the Board of Directors as per the evaluation criteria laid down by the Nomination and Remuneration Committee of the Company.
- (b) After due review of your performance, it shall be determined whether to extend or continue your term.

**10) TERMINATION:**

- (a) Your appointment as an Independent Director of the Company shall be terminated by the Company with immediate effect in the event you commit a breach of any of your duties, functions and responsibilities or obligations towards the Company under this letter or for reasons prescribed under the Act or in the event you compromise your independence vis-a-vis the Company in any manner whatsoever which will have an impact on the criteria of independence specified in Section 149(6) of the Act.
- (b) You may resign from your position at any time and if you wish to do so, you are requested to serve a reasonable written notice on the Board. In terms of the provisions of the Companies Act, 2013, you are required to file a copy of your resignation letter with us for intimation of your resignation to the concerned authorities.

**11) PUBLICATION OF THE TERMS & CONDITIONS:**

This Letter and any non-contractual obligations arising out of in connection with this Letter are governed by, and shall be construed in accordance with the laws of India, and the parties agree to submit to the exclusive jurisdiction of the courts of Ahmedabad.

In accordance with the Listing Regulations and Schedule IV of the Act, the Company shall disclose the terms and conditions of this appointment on the website of the Company.

**12) MISCELLANEOUS:**

The terms of your appointment are subject to the provisions of the Act, Listing Regulations, Articles of Association of the Company and other laws as may be applicable from time to time. In case of any inconsistency between the statutory provisions and as provided herein, the statutory provisions will prevail over the contents.

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