

WORLDWIDE LEATHER EXPORTS LIMITED

TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

1. TERM OF OFFICE

The appointment of an Independent Director is subject to confirmation by the Shareholders in the general meeting and receipt of consent to act as an Independent Director of the Company under the new Companies Act, 2013 following which, the appointment will be for a period of 5 years from the date of his/her appointment He/ She shall not be liable to retire by rotation as per the relevant provisions of the Companies Act 2013 and Listing Agreement and Regulations of SEBI.

The appointment of an Independent Director is subject to the provisions of Companies Act, 2013 regarding appointment, fees, expenses, retirement, disqualification and removal of directors.

He/ she may resign from his/her position at any time after serving a reasonable written notice to the Board.

The appointment may be terminated in accordance with the provisions of the Articles of Association of the Company or failure to meet the parameters of independence as defined in Sec.149(6) or the occurrence of any event as defined in Sec. 167 of the Companies Act, 2013.

2. COMMITMENTS

A. Independent Director

As a Non-Executive Director, he/she is expected 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.

The Board and other Committees of Board shall at such interval of time as may be required expedient for the smooth running of the Business, in a year.

He/ She will be expected to attend the Board, Board Committees to which his/ her may be appointed and Shareholders meetings and devote such time to his/ her duties, as appropriate for him/ her to discharge his/ her duties effectively.

As an independent director, should strive to hold and present in at least one meeting in a year without the presence of non-independent directors and members of management with the sole objective of:

(a) Reviewing the performance of non-independent directors and the Board as a whole.

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(b) Reviewing the performance of the Chairperson of the company, taking into account the view of executive directors and non-executive directors.

(c) Assessing the quality, quantity and timelines of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

B. The Company

(1) The company shall provide him/ her with adequate notice of the dates of proposed board meetings, general meetings and meetings of board committees. As per the provision of the Companies Act, 2013 the company is expected to give him/ her an advance notice of minimum 7days of every board and committee meetings. A meeting of the Board maybe called at shorter notice to transact urgent business subject to the conditions that at least one independent Director, shall be present at the meeting and in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director. The notice of the Board/Committee meetings will be provided along with the agenda of the Board/Committee meetings.

(2) The company will train its Board members in the business model of the company as well as the risk profile of the business parameters of the company and their responsibilities as directors.

(3) The company will provide special training courses which are conducted by the various professional bodies to ensure that the directors are refreshed and equipped to perform their role with the highest standards.

(4) Company shall inform the directors about any upcoming events in the company.

(5) Company shall ensure that a director is update about latest happenings in the industry and in the field of law applicable to the company by allowing him to visit the seminars held in these respects.

(6) Company shall establish an effective whistle blower mechanism so that the directors can raise their concerns.

(7) It shall be the responsibility of the company to provide the independent director with all the information and documents they validly require to fulfill their functions.

(8) The company shall ensure that the independent directors are aware of their statutory obligations.

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3. POWER, DUTIES AND RESPONSIBILITY

I. He/ she is required to follow the Professional Conduct, Roles and Functions as well as Duties of Independent Directors as given under Schedule IV of the Companies Act, 2013, which is given below:

(a) Professional Conduct

As an Independent Director of the Company, he/she shall:

- (1) Uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising his/ her duties;
- (3) exercise his/ her responsibilities in a bona fide manner in the interest of the company;
- (4) Devote sufficient time and attention to his/ her professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will vitiate his/ her 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/ her 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/ her independence;
- (8) where circumstances arise which makes an independent director lose his independence, he/ she must immediately inform the Board accordingly;
- (9) assist the company in implementing the best corporate governance practices.

(b) Role and Functions

As an Independent Director of the Company, he/she 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) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;

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- (4) satisfy himself/ herself 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.

(c) Duties

As an Independent Director of the Company, he/she shall:

- 1) undertake appropriate induction and regularly update and refresh his/ her 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 his/ her are a member;
- 4) participate constructively and actively in the committees of the Board in which he/ she is a Chairperson or member;
- 5) strive to attend the general meetings of the company;
- 6) ensure that his/ her concerns about the running of the company or a proposed action are addressed by the Board and, to the extent that they are not resolved, insist that his/ her concerns are recorded in the minutes of the Board meeting;
- 7) keep his/ herself 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 himself/ herself that the same are in the interest of the company;

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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 behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;

12) act within his/ her 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.

14) he/ she is also required to abide by the Code of Conduct of the Company for Members of the Board and Senior Managers.

4. LIABILITY

As an independent director, he/she will be liable only in respect of such actions of omission or commission by a company which had occurred with his/ her knowledge, attributable through Board process, and with his/ her consent or connivance or where he/ she had not acted diligently.

5. CONFLICT OF INTEREST

By accepting this appointment, he/she will be deemed to have confirmed that any other position held including his/ her directorships in other organizations, shall not give rise to any conflicts of interest in relation to the appointment of an Independent Director as an Independent Director of the Company.

Should he/ she becomes aware of any conflict or potential conflict during his/ her appointment, he/she is expected to notify the Company Secretary.

6. DISCLOSURE

During the Term, he/ she should also agree to promptly notify the Company of any change in his/ her directorships, and provide such other disclosures and information as may be required under the applicable laws. He/ she should also agree that upon becoming aware of any potential conflict of interest with his/ her

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position as Independent Director of the Company, he/ she shall promptly disclose the same to the Chairman and the Company Secretary.

He/ she is also required to confirm that as on date of his appointment letter, he/ she have no such conflict of interest issues with his/ her existing directorships.

During his/ her term, he/ she should agree to promptly provide a declaration under Section 149(7) of the 2013 Act, every year and upon any change in circumstances within 20 days which may affect his/ her status as an Independent Director.

7. REMUNERATION

He/ she shall be paid a sitting fee as may be decided by Board of Directors in consultation with them, in accordance with provisions of the Companies Act, 2013 for attending each meeting of Board as well as the Committee attended by his/ her, as per the provision of Section 197 of the Companies Act, 2013 and the Articles of Association of the Company.

The Company shall reimburse him/ her all travelling, hotel, and other incidental expenses properly and reasonably incurred by his/ her in performance of duties as per provisions of the Companies Act, 2013 in continuation with the Company rules and policies.

As an Independent Director, his/ her shall not be entitled to any stock option.

8. INSURANCE

The Company may take an appropriate Directors' and Officers' Liability Insurance policy and pay the premiums for the same. It is intended to maintain such insurance cover for the full term of his/ her appointment.

9. CONFIDENTIALITY

Under the Company law, Directors have a right of access to Company's documents and records, including financial records.

Any confidential information which may come to his/ her knowledge in the performance of his/ her duties as a director of the Company must not be divulged, except so far as:

(a) may be necessary in connection with the proper performance of his/ her duties to the Company;

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(b) the Company may from time to time authorize his/ her to disclose such information as may be required by him/ her with the condition that he/ she will take all reasonable precautions as may be necessary to maintain the secrecy and confidentiality of all confidential information of the Company; or

(c) he/ she may be required by law to disclose.

10. EVALUATION MECHANISM

The performance evaluation of independent directors shall be done 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 appointment of the independent director.

11. APPLICABLE LAWS

The letter of appointment shall be governed by the laws of India.

12. DISSEMINATION OF POLICY

As per the provisions of the Listing Regulations, the terms and conditions of appointment of Independent Directors shall be disclosed on the website of the company.

13. AMENDMENTS

The board may subject to the applicable laws amend any provisions or substitute any of the provision(s) with the new provision(s) or replace the terms and conditions entirely with a new terms and conditions. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

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