

VXL INSTRUMENTS LIMITED

FAMILIARIZATION PROGRAM FOR DIRECTORS ON THE BOARD

1. **About the Company:** VXL Instruments Limited, incorporated on 28/02/1986
2. **Legal status:** Public Limited Company, CIN: L85110MH1986PLC272426
3. **Registered Office:** No. 252, 5th Floor, Building No. 2, Solitaire Corporate Park, Chakala, Andheri (East), Mumbai - 400093 Tel.: +91 22 2824 5210
Email: cs@vxl.net Website: www.vxl.net
4. **Product details:** Data Processing Units (Thin Clients)
5. **Customers:** Priya Limited, Infosys Limited

6. **Background of the Company – Business space, product details, customers**

VXL is a world leader in Thin Client and related Server Based Computing technology. The company was established in 1986, and manufactures a wide range of thin clients and zero clients. End users including Corporates from various industries, Public Sector departments, Healthcare and Education providers across several countries and of all sizes use VXL products to lower their cost of ownership, while meeting their stringent quality standards.

VXL specializes in the manufacture of thin clients and as a result, is sharply focused on continuously improving the quality of our products. Our focus and commitment enables us to help companies around the world to create efficient IT infrastructures that are not only flexible, secure, manageable but affordable as well.

The company's ability to deliver innovative solutions to customers has been enhanced by technology partnerships with Microsoft and Citrix since 1996 and VMware since 2005. VXL's innovation and tie ups with the largest system integrators worldwide will help the company's target of doubling its market share by 2016.

VXL has one of the most comprehensive basket of products in the market. These include a huge range of hardware devices with multiple operating systems like Windows Embedded 8, Windows Embedded Standard 2009 (WES 2009), Windows Embedded 7 (WES7), and GV Linux. The product range includes desktops from the entry level to high-performance models, as well as the Xtona and Vtona Zero Clients. The company's own device management software VMS (VXL Management Suite) enables administrators to manage devices remotely across a network effectively.

VXL manufactures most of its products in India's tech capital of Bangalore, where its corporate headquarters is located. VXL has support centres in all major cities.

VXL's mission statement

To ensure customers receive the highest return on their investments, through lowest cost of ownership and without sacrificing an enriched user experience

7. Board of Directors of the Company- Brief Profile of each Director of the Company.**i. PROFILE OF MR. M. V. SHETTY**

Father's Name	Mr. M. Pakeerana Shetty
Address	No. 317, 5th Main, 1st Block, Koramangala BENGALURU – 560034
Designation	Whole-Time Director
DIN	00515711
Date of Birth	07/03/1952
Date of Appointment	01/10/2002
Qualifications	M.Tech
Expertise in specific functional area	Design and Development including software in Electronic Manufacturing Industry
Directorship held in other Public Companies (excluding foreign companies)	NIL
Membership/Chairmanships of Committees of other public companies (included only audit, shareholders and investor grievance Committee)	NIL

ii. PROFILE OF MS. HEMA THAKUR KIRAN

Father's Name	Mr Laxmikant Thakur Vasant
Address	A D-103, Aakar Pinnacle, Dattapada Road, Borivali East, Mumbai 400066, Maharashtra
Designation	Independent Director

DIN	01363454
Date of Birth	08/05/1954
Date of Appointment	29/07/2021
Qualifications	1. Bachelor of General Law, Bombay University 2. Diploma in Business Finance from the Institute of Chartered Financial Analysts of India, Hyderabad
Expertise in specific functional area	Finance, Accounts and Banking
Directorship held in other Public Companies (excluding foreign companies)	1. Eurotex Industries and Exports Limited – Independent Director
Membership/Chairmanships of Committees of other public companies (included only audit, shareholders and investor grievance Committee)	Yes Member of Audit Committee of Eurotex Industries and Exports Limited

iii. PROFILE OF MS. ANITA JAISWAL

Father's Name	Mr. Ramesh Jaiswal
Address	A/G-02, Rahul Classic Bldg., Rahul Park, Bhayandar (E), Thane- 401 105
Designation	Independent Director
DIN	08485642
Date of Birth	12/10/1986
Date of Appointment	29/07/2021
Qualifications	1. Company Secretary from Institute of Company Secretaries of India(ICSI) 2. LLB from Jitendra Chauhan College of Law (Mithibai campus)
Expertise in specific functional area	Secretarial, Legal and Compliances, Finance, Accounts

Directorship held in other Public Companies (excluding foreign companies)	1. Sangam Renewable Limited-Independent Director
Membership/Chairmanships of Committees of other public companies (included only audit, shareholders and investor grievance Committee)	Yes Member of Audit and Stakeholders Relationship Committee of Sangam Renewable Limited

iv. PROFILE OF MS. SHRUTI BHUWANIA

Father's Name	Mr. Basantkumar Bhartia
Address	99, Dariya Mahal, 17 th Floor, 80, Nepeansea Road, Malabar Hill, Mumbai-400006
Designation	Non Executive-Non Independent Director
DIN	06630867
Date of Birth	21/10/1975
Date of Appointment	10/07/2021
Qualifications	Bachelor of Commerce from Amaravati University
Expertise in specific functional area	Finance, Accounts, Software and Administrative
Directorship held in other Public Companies (excluding foreign companies)	Nil
Membership/Chairmanships of Committees of other public companies (included only audit, shareholders and investor grievance Committee)	Nil

8. Role of Directors - Duties, Liabilities and expectations.

The Board of Directors guides, directs and oversees the management and protects long term interests of shareholders, employees and the society, at large. The Board has complete access to all information with the Company, inter - alia, the following information is provided to the Board, with the Agenda papers for the Board meetings being circulated in advance of each meeting or is tabled in the course of such meeting.

- Annual Operating plans, Business Budgets and Capital Expenditure Budget.
- Quarterly results of the Company and its operating divisions or business segments.
- Minutes of the meetings of the Audit Committee and other Committees of the Board.
- Details of any Collaboration Agreement or Investment Agreement.

9. Duties of Directors as per Section 166 of the Companies Act, 2013.

- (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 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 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 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 office and any assignment so made shall be void.

10. Code for Independent Directors as per Schedule IV to the Companies Act, 2013.

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 behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) acting within his 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 there under and that the proposed director is independent of the management.
- (4) The appointment of independent directors shall be formalized 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 a period of not more than one hundred and eighty days 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 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.

11.Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I. The Company agrees to comply with the provisions of Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which shall be implemented in a manner so as to achieve the objectives of the principles as mentioned below. In case of any ambiguity, the said provisions shall be interpreted and applied in alignment with the principles.

Various elements (in brief) of **Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015** are mentioned below:

A. The Rights of Shareholders

B. Role of stakeholders in Corporate Governance

C. Disclosure and transparency

D. Responsibilities of the Board

II. Board of Directors

A. Composition of Board

B. Independent Directors

Limit on number of directorships

Maximum tenure of Independent Directors

Formal letter of appointment to Independent Directors

Performance evaluation of Independent Directors

Separate meetings of the Independent Directors

Training of Independent Directors

C. Non-executive Directors' compensation and disclosures

D. Other provisions as to Board and Committees

E. Code of Conduct

F. Whistle Blower Policy

III. Audit Committee

A. Qualified and Independent Audit Committee

B. Meeting of Audit Committee

C. Powers of Audit Committee

D. Role of Audit Committee

E. Review of information by Audit Committee

IV. Nomination and Remuneration Committee

V. Subsidiary Companies

VI. Risk Management

VII. Related Party Transactions

VIII. Disclosures

- A. Related Party Transactions
- B. Disclosure of Accounting Treatment
- C. Remuneration of Directors
- D. Management
- E. Shareholders
- F. Disclosure of resignation of directors
- G. Disclosure of formal letter of appointment
- H. Disclosures in Annual report
- I. Proceeds from public issues, rights issue, preferential issues, etc.

IX. CEO/CFO certification

X. Report on Corporate Governance

XI. Compliance

12. Code of Conduct for Directors and Senior Management:

The Company has Code of Conduct compliance in place.

Note: The Directors will be updated on any changes and modifications on the business model of the Company from time to time through Meetings of the Board of Directors and of its various committee.