

## Sub: Appointment of Independent Director – Terms and Conditions

The terms of appointment, as set out in this letter, are subject to the extant provisions of the (i) applicable laws, including 2013 Act and Clause 49 of the Listing Agreement (as amended from time to time) and (ii) Articles of Association of the Company (“AOA”).

### 1. Appointment

Appointment will be for an initial term up to the forthcoming Annual General Meeting (AGM) which will be extended subject to the appointment at the next Annual General Meeting and shall take effect from .....unless terminated earlier or extended, as per the provisions of this letter or applicable laws.

Independent Director will not be liable to retire by rotation.

Reappointment at the end of the Term (subject to the appointment at the forthcoming AGM) shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the shareholders. Re-appointment would be considered by the Board based on the outcome of the performance evaluation process and continuing to meet the independence criteria.

As per the Board’s current assessment, independent director will be a member of the following

Committees:

Audit Committee

Nomination and Remuneration Committee

The mandates of the aforesaid Committees are provided as Annexure A. The Board may reconstitute the composition of any/all Committees, from time to time, and any such change shall be promptly communicated to independent director. In such an event independent director may also be required to serve on other Committees of the Board.

### 2. Role, duties and responsibilities

- A. As member of the Board along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:

- Requirements under the Companies Act, 2013,
- Responsibilities of the Board” as outlined in the Corporate Governance requirements as prescribed by Stock Exchanges under Clause 49 of the Listing Agreement,
- Accountability under the Director’s Responsibility Statement,
- Overseeing the maintenance of high standards of VXL values and ethical conduct of business,
- Overseeing the Company’s contribution to enhancing the quality of life of communities,
- Protecting and enhancing the VXL brand.

B. independent director shall abide by the ‘Code For Independent Directors’ as outlined in Schedule IV to section 149(8) of the 2013 Act, and duties of directors as provided in the 2013 Act (including Section 166) and in Clause 49 of the Listing Agreement . For the ready reference, the relevant provisions have been extracted and attached to this letter as Annexure B.

C. Independent director is also responsible for providing guidance in the area of his experience.

### 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. Independent director agrees to devote such time as is prudent and necessary for the proper performance of role, duties and responsibilities as an Independent Director.

### 4. Remuneration

Independent Director shall be paid sitting fees for attending the meetings of the Board and the Committees as decided by the Board from time to time.

Further, the Company may pay or reimburse to Independent Director such fair and reasonable expenditure, as may have been incurred by him/her while performing the role as an Independent Director of the Company. This could include reimbursement of expenditure incurred for attending Board/ Committee meetings, Annual General Meetings, Extraordinary General Meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the Company for Directors) and in obtaining, subject to prior consultation with the Board, professional advice from independent advisors in the furtherance of duties as an Independent Director.

### 5. VXL Code of Conduct

Independent Director of the Company shall agree to comply with the VXL Code of Conduct for Non-Executive Directors (NEDs). For ready reference, the Code of Conduct for Non-Executive Directors is outlined below:

- Non-Executive Directors of a Company will always act in the interest of the Company and ensure that any other business or personal association which they may have, does not involve any conflict

of interest with the operations of the Company and his/ her role therein,

- Non-Executive Directors will comply with all applicable laws and regulations of all the relevant regulatory and other authorities as may be applicable to such Directors in their individual capacities,
- Non-Executive Directors will safeguard the confidentiality of all information received by them by virtue of their position.

Unless specifically authorised by the Company, Independent Director shall not disclose company and business information to public constituencies such as the media, the financial community, employees, shareholders, agents, franchisees, dealers, distributors and importers.

Independent director's obligation of confidentiality shall survive termination or cessation of directorship with the Company.

We would also like to draw attention to the applicability of both, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the VXL Code of Conduct on Prevention of Insider Trading Policy, prohibiting disclosure or use of unpublished price sensitive information.

Additionally, Independent Director shall not participate in any business activity which might impede the application of independent judgment in the best interest of the Company.

All Directors are required to sign a confirmation of acceptance of the VXL Code of Conduct for NEDs on annual basis.

## 6. Induction and Development

The Company shall, if required, conduct formal induction program for its Independent Directors which may include any or all of the following:

- Board roles and responsibilities, whilst seeking to build working relationship among the Board members,
- Company's vision, strategic direction, core values, ethics and corporate governance practices,
- Familiarization with financial matters, management team and business operations,
- Meetings with stakeholders, visits to business locations and meetings with senior and middle management.

The Company shall, 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. Performance Appraisal / Evaluation Process

As a member of the Board, the 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 Company's Annual Report. However, the actual evaluation process shall

remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committee. An indicative list of factors that may be evaluated as part of this exercise is:

- Participation and contribution by a director,
- Commitment (including guidance provided to senior management outside of Board / Committee meetings),
- Effective deployment of knowledge and expertise,
- Effective management of relationship with stakeholders,
- Integrity and maintenance of confidentiality,
- Independence of behaviour and judgment, and
- Impact and influence.

#### 8. Disclosures, other directorships and business interests

During the Term, Independent Director shall agree to promptly notify the Company of any change in the directorships, and provide such other disclosures and information as may be required under the applicable laws. Independent director also agrees that upon becoming aware of any potential conflict of interest with his position as Independent Director of the Company, shall promptly disclose the same to the Chairman and the Company Secretary. As on date of this letter, Independent Director has to confirm that no such conflict of interest issues with the existing directorships.

During Independent Director's Term, to promptly provide a declaration under Section 149(7) of the 2013 Act, upon any change in circumstances which may affect his status as an Independent Director.

#### 9. Changes of personal details

During the Term, Independent Director 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.

#### 10. Termination

Directorship on the Board of the Company shall terminate or cease in accordance with law. Apart from the grounds of termination as specified in the 2013 Act, directorship may be terminated for violation of any provision of the VXL Code of Conduct as applicable to Non-Executive Directors.

Independent Director 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 received by the Company or the date, if any, specified in the notice, whichever is later.

If at any stage during the Term, there is a change that may affect Independent Director's status as an Independent Director as envisaged in Section 149(6) of the 2013 Act or, if applicable and Independent Director fails to meet the criteria for "independence" under the provisions of Clause 49

of the Listing Agreement, Independent Director agrees to promptly submit his/her resignation to the Company with effect from the date of such change.

#### 11. Co-operation

In the event of any claim or litigation against the Company, based upon any alleged conduct, act or omission on Independent Director's part during his/her Term, he/she shall agree to render all reasonable assistance and cooperation to the Company and provide such information and documents as are necessary and reasonably requested by the Company or its counsel.

#### 12. Miscellaneous

- This letter represents the entire understanding, and constitutes the whole agreement, in relation to appointment of Independent Director and supersedes any previous agreement between Independent Director and the Company with respect thereto and, without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom.
- No waiver or modification of this letter shall be valid unless made in writing and signed by Independent Director and the Company.
- As per Clause 49 of the Listing Agreement, if applicable, this letter along with detailed profile of Independent Director shall be disclosed on the website of the Company and the relevant stock exchange.

#### 13. Acceptance of Appointment

We are confident that the Board and the Company will benefit immensely from the rich experience of Independent Director and we are eager to have Independent Director as an integral part of the growth of our Company. If these terms of appointment are acceptable to Independent Director, he shall confirm the acceptance by signing and returning the enclosed copy of this letter.

#### AGREE AND ACCEPT

I have read and understood the terms of my appointment as an Independent Director of the Company and I hereby affirm my acceptance to the same.

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Name:

DIN: 00492187

Place: Bangalore

Date: 12/06/2015

## Mandates of Committees:

## A. Audit Committee

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report.
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Compliance with listing and other legal requirements relating to financial statements
  - e. Disclosure of any related party transactions
  - f. To deal with qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
8. Examination of the financial statement and the auditor's report thereon.
9. Approval or any subsequent modification of transactions of the company with related parties.
10. Scrutiny of inter-corporate loans and investments.
11. Valuation of undertakings or assets of the company, wherever it is necessary.
12. Monitoring the end use of the funds raised through public offers and related matters.

13. Evaluation of internal financial controls and risk management systems.
14. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
15. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
16. Discussion with internal auditors of any significant findings and follow up there on.
17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
18. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
19. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
20. To review the functioning of the Whistle Blower mechanism.
21. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee under Section 177 of the Companies Act, 2013 and clause 49 of the Listing Agreement.
23. Any other activities as recommended by the Board from time to time.

B. Nomination and Remuneration Committee:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
2. Formulation of criteria for evaluation of Independent Directors and the Board.
3. Devising a policy on Board diversity.
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
5. Any other activities as recommended by the Board from time to time.

SCHEDULE IV  
(of the Companies Act, 2013)

CODE FOR INDEPENDENT DIRECTORS

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

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 behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy.
12. Acting 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.

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