

[Draft Letter of Appointment to be issued to Independent Directors]

Date:

To,

**(Name of Independent Director),**

Address: \_\_\_\_\_,

\_\_\_\_\_

\_\_\_\_\_

**Sub: Your appointment as the Independent Director of Vijay Solvex Limited**

Dear Sir,

We are pleased to inform you that at the \_\_\_ Annual General Meeting held on \_\_\_\_\_ shareholders have approved your appointment as an Independent Director of the Company to hold office for \_\_\_ consecutive years commenced from \_\_\_\_\_ to \_\_\_\_\_.

**A. Preliminary**

Your appointment is subject to the following:

1. Your appointment as Non-Executive Independent Director on the Board of Directors is subject to the provisions of the Companies Act, 2013.
2. In compliance with provisions of section 149(13) of the Companies Act, 2013, your directorship is not subject to retire by rotation.
3. During your tenure as an Independent Director, you will have to submit a declaration at the beginning of every Financial Year under Section 149 (7) of the Companies Act, 2013("Act") stating that you meet the criteria of Independence.
4. So long as you are an Independent Director of the Company, the number of companies in which you hold office as a Director or a chairman or committee member will not exceed the limit stipulated under the Act and the Listing Regulations.
5. So long as you are an Independent Director of the Company, you will ensure that you do not get disqualified to act as a Director pursuant to the provisions of Section 164 of the Act.
6. You will ensure compliance with other provisions of the Act and the listing Regulation as applicable to you as an Independent Director.

**B. Term**

Your Appointment is for a term of \_\_\_ consecutive years commencing from \_\_\_\_\_ to \_\_\_\_\_.

### **C. Committees**

You may appoint as Chairman or Member of the following Committees of the Board:

- a) Audit Committee
- b) Stakeholder Relationship Committee
- c) Risk Management Committee
- d) Corporate Social Responsibility Committee
- e) Nomination and Remuneration Committee

### **D. Code of Conduct and Duties and Responsibilities**

1. You will abide by the Vijay Solvex Code of Ethics and Business Principles Applicable to Non-Executive Directors and business principles to the extent applicable to an Independent Director of the Company as set out separately in **Annexure-1**.
2. You will abide by the guidelines of professional conduct, role, function and duties as an Independent Directors provided in Schedule IV of the Companies Act, 2013, as set out at **Annexure-2** hereto.
3. You will not hold office as a Director or any other office in a competing firm/entity.
4. You are expected to stay updated on how best to discharge your roles, responsibilities, and duties and liabilities, as an Independent Director of the Company under applicable law, including keeping abreast of current changes and trends in economic, political, social, financial, legal and corporate governance practices.
5. You are expected to:
  - a) take decisions objectively and solely in the interests of the Company;
  - b) facilitate Company's adherence to high standards of ethics and corporate behavior;
  - c) guide the Board in monitoring the effectiveness of the Company's governance practices and to recommend changes, required if any;
  - d) guide the Board in monitoring and managing potential conflicts of interest of Management, Board Members and Stakeholders, including misuse of corporate assets and abuse in related party transactions;
  - e) guide the Board in ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.

## **E. Performance Evaluation**

The Board of Directors will carry out an evaluation of performance of the Board as a Whole, Board Committee and Directors on an annual basis as per Company's Policy. Your reappointment or extension of term will be recommended by the Nomination and Remuneration Committee of the Board, pursuant to a performance evaluation carried out by the Board.

## **F. Publication Of the Letter of Appointment**

In line with provision of Clause IV sub clause 6 of Schedule IV, under Companies Act, 2013, the Company will display the terms and conditions of your appointment on the Company's website.

## **G. Sitting Fees and Reimbursement of Expenses**

1. Sitting fees will be paid for attending each meeting of the Board and its Committees as may be determined by the Board from time to time within the prescribed limits of the Act.
2. You will be entitled to reimbursement of expenses incurred by you in connection with attending the Board meetings, Board Committee meetings, general meetings and in relation to the business of the Company towards hotel accommodation, travelling and other out-of-pocket expenses.
3. Pursuant to applicable law, you will not be entitled to any stock options.

## **H. Insurance**

The Company does not provide any insurance cover to non-executive Independent Director.

## **I. Training**

You will be entitled to the benefit of a training program to familiarize yourself with the business and affairs of the Company, growth plans, the peculiarities of the industry in which the Company operates, its goals and expectations and long term plans and objectives.

## **J. Miscellaneous**

1. You will have access to confidential information, whether or not the information is marked or designated as "confidential" or "proprietary", relating to the Company and its business including legal, financial, technical, commercial, marketing and business related records, data, documents, reports, etc., client information, intellectual property rights (including trade secrets), ("**Confidential Information**").
2. You shall use reasonable efforts to keep confidential and not disclose to any third party, such Confidential Information.

3. If any Confidential Information is required to be disclosed by you in response to any summons or in connection with any litigation, or in order to comply with any applicable law, order, regulation or ruling, then any such disclosure should be, to the extent possible, with the prior consent of the Board.
4. Your attention is also drawn to the requirements under the applicable regulations and the Company's Insider Trading Code which concern the disclosure of price sensitive information and dealing in the securities of the Company. Consequently you should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Chairman or the Company Secretary.

Please confirm your acceptance by signing, dating, and returning a copy of this letter to the Company.

Yours faithfully,  
For **Vijay Solvex Limited**

\_\_\_\_\_  
**(Director)**  
**DIN:**

I have read and agree to the above terms regarding my appointment as an Independent Director of Vijay Solvex Limited.

\_\_\_\_\_  
**(Name of Independent Director)**  
**DIN:**

**Date:**

## **ANNEXURE 1**

### **CODE OF ETHICS AND BUSINESS PRINCIPLES APPLICABLE TO NON-EXECUTIVE DIRECTORS**

(Already uploaded on the Company's website under Statutory Documents Section. Please go through the same.)

## **ANNEXURE 2**

### **Guidelines of professional conduct, Role, Function and Duties as an Independent Director (As provided in Schedule IV of the Companies Act, 2013)**

#### **Guidelines for Professional conduct:**

An independent directors shall:

1. Uphold ethical standards of integrity and probity;
2. Act objectively and constructively while exercising your duties;
3. Exercise their responsibilities in a bona fide manner in the interest of the Company;
4. Devote sufficient time and attention towards your professional obligations for informed and balanced decision making;
5. Not allow any extraneous considerations that will vitiate their 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 their 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. To refrain from any action that would lead to loss of their independence;
8. Where circumstances arise which make an independent Director lose his independence, the independent Director must immediately inform the Board accordingly;
9. To assist the Company in implementing the best corporate governance practices.

#### **Role and functions:**

An 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. Scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
4. Satisfy yourself on the integrity of financial information and that financial controls and 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:**

The Independent directors shall -

1. Undertake appropriate induction and regularly update and refresh your 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 including a Separate meeting of the independent director and of the Board committees of which you are a member;
4. Participate constructively and actively in the committees of the Board in which you are chairperson or member;
5. Strive to attend the general meetings of the Company;
6. Where you 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 your concerns are recorded in the minutes of the Board meeting;
7. Keep yourself 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 yourself 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 your 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.