

V-GUARD INDUSTRIES LIMITED

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30.07.2014

To,

Shri. A K Nair
Devika, M-10/15,
Changampuzha Nagar, Kalamassery,
Kochi - 682 033

Dear Sir,

Sub: Appointment as a Non-Executive Independent Director of V-Guard Industries Limited (the "Company") – reg.

We are pleased to inform you that the members of the Company in their 18th Annual General Meeting held on 29th July, 2014, have approved your appointment as a Non-Executive Independent Director on the Board of the Company and the said appointment is in accordance with the provisions of Sections 149, 150, 152 read with Schedule IV to the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder.

As per the requirements of the Companies Act, 2013, the appointment is being formalized through this letter of appointment. Please note that this is a contract for service and not a contract of employment.

1. Terms of Appointment


You have been appointed for a term upto five years effective from 29th July, 2014, unless terminated earlier or extended, as per the provisions of this letter or applicable laws.


As an Independent Director you are not liable to retire by rotation.

2. Role, Duties and Responsibilities

As a member of the Board, you along with other Directors will be collectively responsible for meeting the objectives of the Board which include:

- 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.
- You may be asked to serve on one or more of the Board Committees. The Board may reconstitute the composition of any/all Committees, from time to time, and any such change shall be promptly communicated to you. You have been provided the terms of reference of each of the Board Committees. Changes that will be made in the terms of reference of Board Committees from time to time will be communicated

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- Bring an objective view in the evaluation of the performance of Board and Management.
 - Scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.
 - Ensure the integrity of financial information and satisfy that financial controls and the systems of risk management are robust and defensible.
 - Safeguard the interests of all stakeholders, particularly the minority shareholders.
 - 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.
 - Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between Management and Shareholders' interest.
 - Undertake appropriate induction and regularly update and refresh skills, knowledge and familiarity with the Company. The Company will fund / arrange for training on all matters which are common to the whole Board.
 - Seek appropriate clarifications or amplification of information and where necessary take and follow appropriate professional advice and opinion of outside experts at the expense of the Company.
 - Strive to attend all meetings of the Board and of the Board committees of which you are a member and also attend the general meetings of the Company.
 - Keep yourself well informed about the Company and the external environment in which it operates.
 - Pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure that the transactions are entered in the interest of the Company.
 - Ascertain and ensure that the Company has an adequate and functional vigil mechanism and that the interests of a person who uses such mechanism are not prejudicially affected on account of such use.
 - Where you have any concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and in case the same is not resolved, insist that your concerns are recorded in the minutes of the Board meeting.
 - Report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.
 - 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.



3. Directors' and Officers' (D and O) Liability Insurance

The Company has taken Directors' and Officers' Liability Insurance policy and pays premium for the same. It is intended to maintain such insurance cover during the term of your appointment, subject to the terms of such policy in force from time to time. A copy of the policy document will be supplied on request.

4. Code of Conduct and Business Ethics for Directors and Senior Management

You have to follow the Company's Code of Conduct and Business Ethics for Directors and Senior Management and furnish an annual affirmation on the same.

5. List of actions that are prohibited while functioning as a Director

While functioning as a Director of the Company, you shall not:

- compromise or allow to compromise "Independence"
- engage in Insider Trading activities
- misuse the assets, property, information or any other matter that may be in possession, in the capacity as a Director of the Company.
- engage in any way (both directly or indirectly) with the competitors.
- unfairly obstruct the functioning of an otherwise proper Board or committee of the Board or committee of the Board.

6. Remuneration

As an Independent Director, you shall be paid sitting fees for attending the meetings of the Board or Committee thereof, either personally or through video conference or other audio visual means or for any other purpose whatsoever as may be decided by the Board of Directors. The sitting fee or other fee as may be payable shall be subject to applicable tax deduction at source.

In addition to the above, you will be entitled to reimbursement of all expenses for participation in the Board and other meetings.

7. Performance Appraisal / Evaluation Process

As a member of the Board, your 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. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committee.

8. Disclosures, Other directorships and business interests

During the term of your appointment, you are requested to notify the Company, of any change in your directorships and such other disclosures and information as may be required under the applicable laws. You are also required to disclose any potential conflict of interest with your position as an Independent Director of the Company, which you may come across during the term of your appointment, to the Chairman and the Company Secretary.



During the term of your appointment, you are requested to provide a declaration under section 149(7) of the Companies Act, 2013, at the first meeting of the Board in every financial year and also whenever there is any change in the circumstances which may affect your status as an Independent Director.

9. Change of personal details

During the term of your appointment, you are requested to 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

Your directorship on the Board of the Company shall terminate or cease in accordance with law. You 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 by you in the notice whichever is later. In case of resignation, a copy of resignation along with detailed reasons for the resignation to the Registrar of Companies shall be forwarded within thirty days of resignation.

If at any time during the term of appointment, due to any change in circumstances, your status as an Independent Director as envisaged in Section 149(6) of the Companies Act, 2013 is get affected or you fail to meet the criteria for 'independence' under the provisions of clause 49 of the Listing Agreement, you may have to submit your resignation to the Company with effect from date of such change.

11. General

- All the terms mentioned in this letter of appointment shall be governed by the Companies Act, 2013 and Rules made thereunder and Corporate Governance requirements under the Listing Agreement.
- This letter represents the entire understanding and constitutes the whole agreement, in relation to your appointment and supersedes any previous agreement between yourself 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 you and the Company.
- As per provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, 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 and shall also be posted on the Company's website.





12. Acceptance of Appointment

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

Yours Sincerely

For V-Guard Industries Limited

Managing Director

I hereby acknowledge receipt of and accept the terms set out in this letter.

Name: A K Nair

Signature: