

25.07.19

Mr. Cherian N Punnoose
F-11, Express Estate,
Kaloor, Kochi-682017

Dear Sir,

Sub: Re-appointment as Non-Executive Independent Director of V-Guard Industries Limited –
reg.

We are pleased to inform you that the members of V-Guard Industries Limited (the Company) in their 23rd Annual General Meeting held on July 24, 2019, have approved your re-appointment as Non-Executive Independent Director of the Company and the said re-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 and applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Listing Regulations) including any modifications or amendments made thereof.

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

1. Terms of re-appointment

You have been re-appointed for a consecutive term of five years effective from July 29, 2019 unless terminated earlier, 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:

- Helping in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, key appointments and standards of conduct.
- You have been a member of the Nomination and Remuneration Committee, Audit Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee and serves as Chairman of the Audit Committee and Stakeholders' Relationship Committee of the Company. The Board may reconstitute the composition of any / all Committees from time to time and any change made shall be promptly communicated to you. You have been provided the terms of reference of each of the Board

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Committees. Changes that will be made in the terms of reference of Board Committees from time to time will be communicated.

- Monitor the performance of the Management in meeting agreed goals and objectives.
- 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 payable to executive directors, key managerial personnel and senior management and have a prime role in appointment 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 clarification of information wherever necessary and take 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 the general meetings of the Company.
- Keep yourself well informed about the Company and the external environment in which it operates.
- 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 re-appointment, subject to the terms of such policy in force from time to time. A copy of the policy document will be provided on request.

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

You are required 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 prohibited while functioning as a Director

- 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 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 sitting fees, commission that may be determined by the Board may also be payable to you. You are also 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 re-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 re-appointment, to the Chairman and the Company Secretary.

During the term of your re-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 whenever there is any change in the circumstances which may affect your status as an Independent Director.

9. Change of personal details and updation

During the term of your re-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 and update your KYC details with the Registrar of Companies and provide proof of same to the Company.

10. Termination

Your Directorship on the Board of the Company shall terminate or cease in accordance with the 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 re-appointment, due to 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 of independence as provided in Regulation 16(1)(b) of Listing Regulations, you 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 re-appointment shall be governed by the Companies Act, 2013 and Rules made thereunder and Corporate Governance requirements as per Listing Regulations.
- 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 Regulation 16 of Listing Regulations, the terms and conditions of re-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 be posted on the Company's website as well.

12. Acceptance of re-appointment

We are confident that the Board and the Company will benefit immensely from your rich experience. If these terms of re-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


Kochouseph Chittilappilly
Chairman

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

Name: Cherian N Punnoose

Signature:

