

Dated this ... day of

To,
The Director
Address

Subject: Appointment as an Independent Director

Dear Sir,

We are pleased to inform you that the Board of Directors of the Company, on the recommendations of the Nomination and Remuneration Committee, approved your appointment as a Director, in terms of Sections 149 and 161 of the Companies Act, 2013, in the category of Non-Executive Independent Director of the Company.

We thank you for consenting to hold office as an Independent Director of the Company and confirming that you meet the independence criteria and satisfy all other eligibility conditions for appointment as an Independent Director of the Company as provided under Section 149, and other applicable provisions of the Companies Act, 2013 ("the Act") and Regulation 16 of the Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

This letter sets out the terms of your appointment as Independent Director as per the requirements of Schedule IV of the Act, Listing Regulations and Articles of Association of the Company.

1. TENURE OF APPOINTMENT/ RE-APPOINTMENT

Your appointment as an Independent Director on the Board of the Company shall be starting from, in terms of Sections 149 and 161 of the Companies Act, 2013. Your appointment is not a contract of employment of the Company.

Further, based on the recommendations of Nomination and Remuneration Committee and Board of Directors, you shall hold office for a term of 5 consecutive years subject to regularization of your appointment by the shareholders of the Company by way of a Special Resolution. Your office shall not be liable to retire by rotation in accordance with the provisions of the Act.

Re-appointment at the end of the term shall be based on the recommendation of the Nomination and Remuneration Committee, report of performance evaluation and subject to the approval of the Board and shareholders of the Company.

The Board may from time to time request you to participate or be a member of other Committees of the Board of Directors.

2. COMMITTEES AND TIME COMMITMENT

- a. As advised by the Board, during the tenure of office, you may be required to serve on one or more of the committees of the Board. Upon your appointment, to any one or more Committees, you will act as per the charter of the Committee, which sets out the functions/role of that Committee.

- b. You are requested to attend all the meetings of the Board and its committee, wherever you will be the member.
- c. You are also requested to attend all General Meetings of the Company.

In addition to the above, depending on business exigencies, additional meetings may be convened.

While the Company would seek your convenience for availability before fixing dates for such meetings, this will depend on the overall convenience of a majority of directors. Also, we will seek your guidance, suggestions, and support whenever we need your help.

By accepting this appointment, including your nomination to the Committee(s) of the Board of the Company or its subsidiaries, if any, you will make available time that is necessary to discharge your duties and obligations and help in the Company's superior governance.

3. REMUNERATION & EXPENSES

a. Sitting Fees

As an Independent Director, you shall be paid sitting fees to attend the meeting of the Board of Directors and/or Committees thereof. The sitting fees as determined by the Board are as follows:

- For Board Meeting: - Rs. 100,000/- per meeting.
- For Committee Meetings: Rs. 50,000/- per committee meeting

This will include attendance physically or through video-conference.

b. Commission:

The Commission, as approved by the Board, in accordance with the provisions of Section 197 of the Act shall be paid annually for each financial year, on such criteria as may be determined by the Board. As per the provisions of Section 197(1)(ii) of the Act the remuneration payable to the non-executive directors shall not exceed 1% of the net profit of the Company calculated under Section 198 of the Act read with Companies (Appointment and Remuneration) Rules, 2014.

c. Expenses/ Reimbursement

In addition, you will also be paid /reimbursed all travel, hotel and other related expenses incurred by you in the performance of your duties as director.

4. INDEPENDENCE AND CODE OF CONDUCT

The Board of Directors of the Company have adopted the Code of Conduct and the same is enclosed with this letter for your reference and records as **Annexure A**. Please note that you need to comply with the requirements as stated in the Code and you are also requested to take note of the guidelines given by the Act under Schedule IV referring to as Code for Independent Directors which is also enclosed for your reference and records as **Annexure B**.

5. ROLES & FUNCTIONS:

As an independent director, you will be expected to –

- a) 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;

- b) Bring an objective view in the evaluation of the performance of board, committees and individual directors;
- c) Scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- d) Ensure the integrity of financial information and that financial controls
- e) Safeguard and balance the interest of all stakeholders;
- f) Moderate and arbitrate in the interest of the Company in situations of conflict between management and shareholder's interest.

6. RESPONSIBILITIES & DUTIES:

Following will be your responsibilities and duties –

- a) Updation of your skills, knowledge and familiarity with the Company and the external environment in which it operates
- b) Seeking appropriate clarification or amplification of information;
- c) Striving to attend and actively participate in all meetings of the Board and Committees of which you are a chairperson/member as well as the general meetings of the Company;
- d) Holding and/or participating actively in the separate meetings of the independent directors of the Company which shall –
 - review the performance of non-independent directors and the Board as a whole;
 - review the performance of the Chairperson of the Company, taking into account the views of executive and non-executive directors;
 - 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 its duties.
- e) Ensuring that your concerns about the running of the Company or a proposed action, are addressed by the Board and, to the extent that are not resolved, insist that your concerns are recorded in the minutes of the Board meeting;
- f) Not unfairly obstructing the functioning of an otherwise proper Board or committee of the Board;
- g) Ensuring adequate deliberations, before approving related party transactions and assuring yourself that the same are in the interests of the Company;
- h) Ensuring that the Company has an adequate and functional vigil mechanism and reporting concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy if any;
- i) Acting within your authority, assist in protecting the legitimate interests of the Company, shareholders and employees;
- j) Not disclosing 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.

7. PROFESSIONAL CONDUCT:

As an independent director, you shall-

- a) Uphold ethical standards of integrity and probity;
- b) Act objectively and constructively while exercising his duties;
- c) Exercise your responsibilities in a bona fide manner in the interest of the Company;
- d) Devote sufficient time and attention to your professional obligations for informed and balanced decision making;
- e) Not allow any extraneous considerations that will vitiate your 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;
- f) Not abuse your 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;
- g) Refrain from any action that would lead to loss of your independence;
- h) Where circumstances arise which make you lose your independence; you must immediately inform the Board accordingly;

8. DIRECTOR'S PERFORMANCE REVIEW

Your role in the Board will be subject to review. The review process will be performed on a yearly basis as per the Nomination and Remuneration Policy recommended by the Nomination and Remuneration Committee of the Board.

9. DEALING IN SHARES

Directors are prohibited from dealing in the Company's shares during the period when the trading window is closed. Further, Directors, being designated officers of the Company for the purpose of insider trading guidelines, are to pre-clear all trades (buy/sell/gift) from the Company Secretary and Compliance Officer of the Company. You are required to comply with the applicable insider trading laws and regulations.

10. DIRECTORS' INSURANCE

The Company maintains a Directors & Officers (D&O) Insurance policy for all its Board members to pay for the personal liability of directors and officers for claims made against them while serving on the Board and / or as an officer of the Company. Quantum, risks determined, and other parameters provided in the policy are commensurate with the size and nature of business of the Company.

11. INDEPENDENT ADVICE

In consultation with the Chairperson, you may seek Independent Professional advice, at the Company's expense, on any matter connected with the discharge of your responsibilities as Director. Copies of this advice may be made available to and for the benefit of all Board Members.

12. CONFIDENTIALITY

As an Independent Director, you will be in possession of confidential information about the Company and its subsidiaries. You must apply the highest standard of confidentiality and not disclose to any person or company or entity (whether during the appointment of after cessation) any confidential information which you may have acquired during term as an Independent Director. You may only use that information in the proper performance of your duties or as required by law and you must not use it to gain advantage for yourself or others, or to the detriment of the Company.

13. RESIGNATION/ TERMINATION

- a) You may resign from your position at any time with detailed reasons and should you wish to do so, you are requested to serve a reasonable written notice to the Board in consultation with the Chairman.
- b) Your appointment may also be terminated in accordance with the applicable provisions of the law and Articles of Association of the Company.

14. RIGHTS OF THIRD PARTIES

No person other than you and the Company shall have any rights under this letter and the terms of this letter shall not be enforceable by any person other than you and the Company.

15. GENERAL

This letter constitutes the entire terms and conditions of your appointment, and no waiver or modification thereof shall be valid unless it is in writing and signed by parties hereto.

This appointment letter is governed by and interpreted in accordance with the laws of India and your engagement shall be subject to jurisdiction of courts in Bengaluru, India.

We look forward to your continuous presence on the Board and your continued participation at the meetings of the Board and Committee(s).

You are requested to please sign and return the signed copy as an acknowledgment of your acceptance.

Chairman

Accepted

Director

Enclosures:

- 1. Annexure A - Company's Code of Conduct
- 2. Annexure B - Schedule IV to the Companies Act, 2013 – Code to Independent Directors

Schedule IV to the Companies Act, 2013-Code to Independent Directors

The Code is a guide to professional conduct for Independent Directors. Adherence to these standards by Independent Directors and fulfillment 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; and
- (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; and
- (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) Act 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.

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 thereunder and that the proposed director is independent of the management.
- (4) The appointment of independent directors shall be formalised 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 three months 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 two meeting in a financial 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.