



## **VARDHMAN HOLDINGS LIMITED**

Registered Office: Chandigarh Road, Ludhiana – 141 010 (Punjab), India.

Phones: 0161-2228943-48; Fax: 0161-2601048 & 2220766

PAN No.: AABCV8088P; CIN: L17111PB1962PLC002463

E-mail: [secretarial.lud@vardhman.com](mailto:secretarial.lud@vardhman.com); Website: [www.vardhman.com](http://www.vardhman.com)

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### **LETTER OF APPOINTMENT**

Date: 25.09.2017

**Mr. Sat Pal Kanwar,**  
16-D, Sarabha Nagar,  
Ludhiana-141001

**Sub: APPOINTMENT AS AN INDEPENDENT DIRECTOR OF THE COMPANY.**

Dear Sir,

This Appointment Letter is intended to outline the understanding and arrangement between Vardhman Holdings Limited (hereinafter referred to as "VHL") and yourself to act as an Independent Director on the Board of VHL upon terms and conditions hereinafter contained and agreed to by you and VHL.

We are pleased to appoint you as an Independent Director on the Board of VHL as approved by the shareholders in the 53<sup>rd</sup> Annual General Meeting held on 22<sup>nd</sup> September, 2017 for a term of consecutive five years upto the conclusion of 58<sup>th</sup> Annual General Meeting of the Company.

This letter sets out the terms of your appointment subject to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The terms and conditions covering your appointment are as follows:

**1. Appointment:**

- a) Your appointment as a Non-Executive Independent Director on the Board of Directors is subject to the provisions of Companies Act, 2013 and your directorship is not subject to retirement by rotation.
- b) Notwithstanding other provisions of this letter, the appointment may be terminated on failure to meet the parameters of Independence as defined in Section 149(6) or on the occurrence of any event as defined in Section 167 of the Companies Act, 2013.



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### **2. Role, duties and responsibilities:**

Your role and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:

1. You shall act in accordance with the Company's Articles of Association.
2. You shall act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interest of the Company.
3. You shall discharge your duties with due and reasonable care, skill and diligence.
4. You shall not involve yourself in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
5. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
6. You shall not assign your office as Director and any assignments so made shall be void.
7. You are expected to devote such time to the affairs of the Company as may be required by virtue of your duties as Independent Director.

In addition to the above requirements, your role as a Non-Executive Director shall include helping in development of strategies, evaluate the performance of non-independent Directors, ensuring that financial controls and Risk Management Policy is in place, overseeing the accuracy of financial reporting and ensuring governance and compliance with the applicable legislation and regulations.

### **3. Code of Conduct:**

As an Independent Director, you agree to comply with regulations of the following codes of the Company:

- i. Code of conduct for Independent Directors as per Schedule IV of the Companies Act, 2013.
- ii. Code of Conduct for Board of Directors and Senior Management;
- iii. Code for prevention of Insider Trading in securities of the Company;

and such other requirements as the Board of Directors may from to time specify.



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#### **4. Status of Appointment:**

1. You will not be an employee of the Company and this letter shall not constitute a contract of employment. You will be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board and approved by the Shareholders from time to time.
2. You will have no entitlement to participate in any employee stock option scheme operated by the Company or any Group Company.

#### **5. Reimbursement of Expenses:**

In addition to the sitting fees described above, the Company will, for the period of your appointment, reimburse you for travel, hotel and other incidental expenses reasonably incurred by you in the performance of your role and duties.

#### **6. Conflict of Interest:**

1. It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to your appointment commencing, you are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment as per Section 184 of the Companies Act, 2013.
2. In the event that your circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to review its judgment that you are independent, this should be disclosed to both the Chairman and the Company Secretary.

#### **7. Disclosure of Interest:**

The Director shall disclose any material interest that a Director may have in any transaction or arrangement that the Company has entered into. Such interest should be disclosed not later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record your interest appropriately and our records are updated. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.



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### **8. Confidentiality:**

1. All information acquired during your appointment is confidential to the Company and should not be released, either during your appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman unless required by law or by the rules of any stock exchange or regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by the Company.
2. 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.

### **9. Publication of the Letter of Appointment:**

In line with provisions of Schedule IV under the Companies Act, 2013, the Company will make public the terms and conditions of your appointment and will also arrange for it displayed on the Company's website and also send a copy of it to the stock exchanges.

### **10. Evaluation:**

The Board of Directors will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis as per Company's Policy. Your appointment and re-appointments on the Board shall be subject to the outcome of this evaluation process.

### **11. Termination:**

1. You may resign from the position at any time and should you wish to do so, you are requested to serve a reasonable written notice on the Board. In terms of the provisions of Section 189 of the Companies Act, 2013, you are requested to file a copy of your resignation letter to Registrar of Companies (ROC).
2. Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with the provisions of Companies Act, 2013, from time to time in force. You will not be able to entitle to compensation if the shareholders do not re-elect you at any time.



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### **12. General:**

1. This Letter and any non-contractual obligations arising out of or in connection with this letter are governed by, and shall be construed in accordance with, the laws of India, and the parties agree to submit to the exclusive jurisdiction of the District courts of Ludhiana, Punjab.
2. In confirmation to the above terms and conditions relating to your appointment as an Non-executive Independent Director of VHL, kindly confirm your acceptance of these terms by signing and returning to us the enclosed copy of this letter.
3. The terms and conditions of appointment of Independent Director shall be open for inspection at the registered office of the Company by any member during the normal business hours.

Yours Sincerely,

Thanking you,  
For VARDHMAN HOLDINGS LIMITED

(S. P. OSWAL)  
Chairman & Managing Director