

TERMS OF APPOINTMENT OF INDEPENDENT DIRECTORS OF THE COMPANY IN ACCORDANCE WITH THE REQUIREMENTS OF SCHEDULE-IV TO THE COMPANIES ACT, 2013 AND SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), 2015.

Mr. V. Mohan has been appointed as Independent Director of the Company for a term of five (5) consecutive years by the members at their Annual General Meeting held on September 15, 2014.

Mr. K. G. Krishnamurthy has been appointed as Independent Director of the Company for a term of five (5) consecutive years by the members at their Annual General Meeting held on September 15, 2014.

Mr. Mukesh Malhotra has been appointed as Independent Director of the Company for a term of five (5) consecutive years by the members at their Annual General Meeting held on September 15, 2016.

Terms and Conditions of Appointment of Independent Directors

The terms and conditions of appointment of the Independent Directors are subject to the extent provisions of the (i) applicable laws, including the Companies Act, 2013 ('2013 Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (as amended from time to time) and (ii) Articles of Association of the Company.

The broad terms and conditions of appointment of Independent Directors of the Company are reproduced hereunder:

1. Appointment

The appointment will be for a maximum period of 5 years as may be recommended by the Nomination and Remuneration Committee and approved by the Board. The Company may disengage Independent Directors prior to completion of the Term subject to compliance of relevant provisions of the 2013 Act.

As an Independent Director they will not be liable to retire by rotation.

Reappointment at the end of the Term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the shareholders. The reappointment would be considered based on the outcome of the performance evaluation process etc., and the Directors continuing to meet the independence criteria. The Re-appointment would require Special Resolution of Shareholders and other necessary approvals.

2. Role, Duties and Responsibilities:

Independent Directors are expected to provide expertise and experience inter alia in the field of management, science, research and corporate governance, in

the functioning of the Board and the committees of the Board in which they may be nominated. In addition to routine board meetings, they should allow time for committee meetings, preparatory work and travel, and ensure that they are in a position to make the necessary overall time commitment.

Independent Directors may be nominated on one or more committees of the Board and in such event you will be provided with the relevant Committee's terms of reference and any specific responsibilities.

3. Time Commitment

They agree to devote such time as is prudent and necessary for the proper performance of their role, duties and responsibilities as an Independent Director.

4. Remuneration

In consideration of Independent Directors Services, they shall be paid sitting fees for attending Board and Committee Meetings. The Sitting Fees shall be determined by the Board from time to time.

Further, the Company may pay or reimburse to the Directors such expenditure, as may have been incurred by them while performing their role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by them for accommodation, travel and any out of pocket expenses for attending Board/ Committee meetings, General Meetings, court convened meetings, meetings with shareholders/ creditors/ management, store visits, induction and familiarization programs (organized by the Company for Directors) and in obtaining, subject to the expense being reasonable, professional advice from independent advisors in the furtherance of their duties as an Independent Director.

5. Insurance

The Company has Directors' and Officers' ("D&O") liability insurance. It is intended to maintain such insurance cover for the Term of their appointment, subject to the terms of such policy in force from time to time.

6. Code of Conduct

The Company has relied on the declaration of the Independent Director that he meets the criteria of independence as provided in Section 149(6) of the Act as also in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The Independent Director will be required to abide by the guidelines as to professional conduct for independent directors as set out in Section 149(8) read with Schedule IV to the Act.

The Independent Director will be required to comply with applicable provisions of any code of conduct framed by the Board of Directors of the Company.

7. Familiarization Program

The Company may if required conduct programs to familiarize the Directors to update their skills and improve their familiarity with the Company and its business.

8. Performance Evaluation

The performance of individual directors shall be done by the entire Board, excluding the director being evaluated, on an annual basis.

9. Disclosures regarding Business Interest and Change in Directorships

During the Term, they agree to promptly notify the Company of any change in their directorships, and provide such other disclosures and information as may be required under the applicable laws. They also agree that upon becoming aware of any potential conflict of interest with their position as an Independent Director of the Company, they shall promptly disclose the same to the Chairman and the Company Secretary.

During their Term, they agree to promptly provide a declaration under Section 149(7) of the 2013 Act, upon any change in circumstances which may affect their status as an Independent Director.

10. Governing Law

The Appointment and the terms are governed by the laws of India.

11. Relationship

- 11.1. The appointment constitutes neither a contract for services nor a service contract.
- 11.2. There will be no relationship of employer and employee as a consequence of appointment as a director of the Company.

12. Authority

The letter of Authority will be issued under the authority of Board.

For Vascon Engineers Limited

Managing Director

**The above terms and condition are model terms and conditions which are subject to change/modifications.*