

Basic terms of Appointment of Independent Directors

1. Appointment

- 1.1 The appointment of Independent Directors are subject to the provisions of sections 149, 150 and 152 of the Companies Act, 2013 and applicable provisions, if any of the Act and Rules made there under and subject to approval of the members of the Company.

Further the appointment also subject to the maximum permissible Directorships one can hold as per the provisions of the Companies Act, 2013 and the listing agreement.

- 1.2 The term Independent Director should be construed as defined under the Companies Act, 2013 and the listing agreement.
- 1.3 The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the Listing Agreement. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company.

2. Committees

The Board of Directors (the Board) may, if it deems fit, appoint the Independent Directors on one or more existing Board Committees or any such Committee that is set up in the future. The appointment on such Committee(s) will be subject to the applicable regulations.

3. Time Commitment

As a Non-Executive Director, Independent Directors are expected to bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective leadership in relation to the Company's strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance. The Board meets at least four times in a year. The Audit Committee and Stakeholders' Relationship Committee also meets at least four times in a year. Besides, there are other Committee meetings like Nomination and Remuneration Committee and Corporate Social Responsibility Committee meetings which are ordinarily convened as and when required. The Independent Directors are expected to attend Board & its Committees meetings to which they may be appointed and Shareholders meetings and to devote such time to their duties, as appropriate for them to discharge their duties effectively.

4. Role and Duties

The role and duties will be those normally required of an Independent Director under the Companies Act, 2013 and the listing agreement. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:

- I. Independent Director shall act in accordance with the Company's Articles of Association.
- II. Independent Director 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.

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- III. Independent Director shall discharge the duties with due and reasonable care, skill and diligence.
- IV. Independent Director shall not involve in a situation in which they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- V. Independent Director shall not achieve or attempt to achieve any undue gain or advantage either to them or to their relatives, partners or associates.
- VI. Independent Director shall not assign the office as Director and any assignments so made shall be void.

In addition to the above requirements applicable to all Directors, the role of the Independent Director has the following key elements:

Strategy: Independent Directors are expected to constructively challenge and help develop proposals on strategy;

Performance: Independent Directors are expected to scrutinize the performance of the management in meeting agreed goals and objectives;

Risk: Independent Directors are expected to satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;

People: Independent Directors are responsible for determining appropriate levels of remuneration of Executive Directors and have a prime role in appointing, and where necessary, removing Executive Directors and in succession planning;

Reporting: Independent Directors take responsibility for the processes for accurately reporting on performance and the financial position of Vimta; and

Compliance: Independent Directors should keep governance and compliance with the applicable legislation and regulations. Further they should also to comply with the Code for Independent Directors as laid down under Schedule-IV of Companies Act, 2013.

5. Status of Appointment

- 5.1 Independent Director will not be an employee of the Company.
- 5.2 Independent Director will be paid such remuneration as may be decided by the Board, by way of sitting fees for meetings of the Board and its Committees.

6. Reimbursement of Expenses

In addition to the remuneration described in paragraph 5 the Company will, for the period of appointment, reimburse for travel, hotel and other incidental expenses incurred by Independent Director in the performance of their role and duties.

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7. Conflict of Interest

- 7.1 It is accepted and acknowledged that Independent Directors may have business interests other than those of the Company. As a condition to the appointment commencing, Independent Directors are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of the appointment and on yearly basis.
- 7.2 In the event that the circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgment that Independent Directors are independent, this should be disclosed to both the Chairman and the Secretary.

8. Confidentiality

All information acquired during the appointment is confidential and should not be released, either during the 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, Independent Director shall surrender any documents and other materials made available to them by the Company.

The Independent Directors shall not disclose any price sensitive information and not to do any speculation by trading the securities of the Company.

9. Evaluation

The Company has adopted a policy on Board Evaluation. The policy provides for evaluation of the Board, the Committees of the Board and individual Directors, including the Chairman of the Board. As per the Policy, the Independent Directors will carry out an evaluation of the performance of the whole-time-directors. The Board will carry out an evaluation of the performance of the Board as a whole, Independent Directors and Committees of Directors on an annual basis.

10. Insurance

Company has Directors' and Officers' liability insurance and it is intended that the Company will assume and maintain such cover for the full term of the appointment.

11. Disclosure of Interest

The Company must include in its Annual Accounts a note of any material interest that a Director may have in any transaction or arrangement that the Company has entered into. Such interest should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record the interest appropriately and the records are updated.

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12. Termination

- I. The Company is at liberty to disengage Non Executive Independent Director earlier subject to compliance of relevant provisions of Companies Act, 2013 and Articles of Association of the Company.
- II. Independent Director may resign from the position at any time and such intending Director to serve a reasonable written notice to the Board.
- III. Continuation of the appointment after the present term of first five years is contingent on getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013 and the Articles of Association of the Company, as amended from time to time in force.

13. Governing Law

This agreement is governed by and will be interpreted in accordance with Indian law and subject to the jurisdiction of the Hyderabad courts.