

## LETTER OF APPOINTMENT

Mr. Thiruvengadam P.  
201, Yadugiri Nest  
60, 11<sup>th</sup> Main Road, Malleswaram  
Bangalore – 560 003, India.

Dear Mr. Thiru,

We are pleased to inform you that the shareholders of the Company at the 23<sup>rd</sup> Annual General Meeting held on 5<sup>th</sup> August, 2016 have passed the resolution for your appointment as an Independent Director (Non-Executive Independent Director) of the Company. This letter of appointment sets out the terms and conditions covering your appointment which are as follows:

### 1. Appointment

- 1.1. You have been appointed as a Non-Executive Independent Director on the Board of Directors of the Company to hold office for a period of 5 years.
- 1.2. The term Independent Director should be construed as defined under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 1.3. The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company is at liberty to disengage Non Executive Independent Director earlier subject to compliance of relevant provisions of Companies Act, 2013.

### 2. Committees

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

At present you are a member of the following committees of the company:

- i. Audit Committee



### 3. Time Commitment

- 3.1. As a Non-Executive Director you 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 atleast four times in a year. The Audit Committee also meets atleast four times in a year. Besides, there are other Committee meetings like Nomination and Remuneration Committee, Stakeholders Relationship Committee, Compensation Committee and Corporate Social Responsibility Committee meetings which are ordinarily convened once in a year. You will be expected to attend Board, Board Committees to which you may be appointed and Shareholders meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively. Ordinarily, all meetings are held in Bangalore
- 3.2. By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.

### 4. Role and Duties

Your role and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**Strategy:** Non-Executive Directors should constructively challenge and help develop proposals on strategy;

**Performance:** Non-Executive Directors should scrutinize the performance of management in meeting agreed goals and objectives;

**Risk:** Non-Executive Directors should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;

**People:** Non-Executive 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:** Non-Executive Directors take responsibility for the processes for accurately reporting on performance and the financial position of the company; and



**Compliance:** Non-Executive Directors should keep governance and compliance with the applicable legislation and regulations under review and the conformity of the company practices to accepted norms.

## **5. Status of Appointment**

- 5.1. 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 setting 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. Further, you will also be paid remuneration by way of commission as may be approved by the Board and the Shareholders from time to time.
- 5.2. At present, the sitting fees paid to the Non-Executive Independent Director is Rs. 20,000/- per meeting of the Board or a Committee thereof. In addition, the Non-Executive Independent Director is entitled to a remuneration by way of commission amounting to Rs. 2 lacs per annum subject to the provisions of the Companies Act, 2013.

## **6. Reimbursement of Expenses**

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

## **7. Conflict of Interest**

- 7.1. 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.
- 7.2. 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 revise its judgment that you are independent, this should be disclosed to both the Chairman and the Secretary.





## **8. Confidentiality**

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.

## **9. Prohibition of Insider Trading**

You will follow the company's Insider trading policy and the requirements under the applicable regulations and the Company's Share Dealing 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 without prior clearance from the Chairman or the Company Secretary (Compliance Officer).

## **10. Insurance**

The 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 your appointment.

## **11. Independent Professional Advice**

There may be occasions when you consider that you need professional advice in furtherance of your duties as a Director and it will be appropriate for you to consult independent advisers at the Company's expense. The Company will reimburse the full cost of expenditure incurred in accordance with the Company's policy.

## **12. 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 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 and the same is required to be provided annually.



### 13. Termination

- a. You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice on the Board.
- b. Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013 and the Articles of Association of the Company, from time to time in force. You will not be entitled to compensation if the shareholders do not re-elect you at any time.
- c. Your appointment may also be terminated in accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company from time to time in force.

### 14. Governing Law

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

If you are willing to accept these terms of appointment relating to your appointment as a non executive Independent Director of the Company, kindly confirm your acceptance of these terms by signing and returning to us the enclosed copy of this letter.

Yours sincerely

For and on behalf of Centum Electronics Limited



Apparao V Mallavarapu  
Chairman and Managing Director



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

Signed .....

Dated .....

Place .....