

# VOLKSWAGEN FINANCE PRIVATE LIMITED

Date: \_\_\_\_\_

Mr. Ms \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Dear Sir/Madam,

## REGISTERED OFFICE

VOLKSWAGEN FINANCE PRIVATE LTD.

CIN - U65999MH2009FTC189640

3<sup>rd</sup> Floor, A wing, Silver Utopia

Cardinal Gracious Road, Chakala,

Andheri (East), Mumbai 400 099

Email ID: vwfpcompliance.india@vwfs.com

Website: www.vwfs.co.in

TEL: +91 22 39521000

FAX +91 22 39521001

## Subject- Appointment as Independent Director

We are pleased to inform you that upon the recommendation of Nomination and Remuneration Committee, approval of the Board of Directors of Volkswagen Finance Private Limited (hereinafter referred to as VWFPL or the Company) and approval of Shareholders of the Company at the \_\_\_\_\_ General Meeting held on \_\_\_\_\_, you are being appointed as an Independent Director on the Board of the Company for a period of 5 years with effect from \_\_\_\_\_ to \_\_\_\_\_.

The terms and conditions of appointment of Independent Directors of Volkswagen Finance Private Limited ("the Company") are subject to the applicable provisions of the Companies Act, 2013 ("the Act") and rules made thereunder as amended from time to time. The following are the details of the terms of your appointment as Independent Directors of the Company.

- 1. Term of Appointment:** You are appointed as Non-Executive Independent Director of Volkswagen Finance Private Limited for a period of 5 years w.e.f. \_\_\_\_\_ to \_\_\_\_\_. You are not liable to retire by rotation. Re-appointment at the end of your tenure shall be considered by the Board of Directors ("the Board) based on the recommendation of the Nomination and Remuneration Committee and the performance evaluation process, subject to the Director continuing to meet the independence criteria.
- 2. Committees:** The Board of Directors (the Board) may, if it deems fit, invite Independent Directors for being appointed 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. Remuneration:** You are entitled for payment of sitting fee for attending the meetings of Board of Directors or its Committees, in addition to the reimbursement of travel/ lodging expenses incurred for attending such meetings. The above fee will be liable / subject to tax in accordance with the provisions of the Income Tax Act and rules made there under, as also other applicable laws, if any, as may be in force from time to time. You shall be entitled to receive such fees/ remuneration as provided under this clause.

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- 4. Time Commitment:** 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 at least four times in a year. The Audit Committee and Information Technology (IT) Strategy Committee meet at least twice a year and otherwise as required. Besides, there are other Committee meetings like Nomination & Remuneration Committee and Corporate Social Responsibility Committee meetings which are ordinarily convened at least once a year. You will be expected to attend the Meetings of the Board, Meetings of the Committees of the Board in which you are/may become member and Shareholders meetings and to devote such time to your duties, as appropriate to discharge your duties effectively.

By accepting this appointment, you confirm that you are able to allocate sufficient time to perform your role.

- 5. Termination:** Your directorship on the Board of the Company shall terminate or cease in accordance with extant law.
- 6.** If at any stage during the Term, there is a change that may affect the status as an Independent Director as envisaged in Section 149 (6) of the Companies Act 2013, you will promptly submit your resignation with effect from the date of such change.
- 7. Confidentiality:** You will treat all the information shared as strictly confidential and will not divulge the same to any third party without the prior written consent of the Company. You will be responsible for safeguarding the interest and reputation of the company during the course of your services. The confidentiality clause will survive post termination or resignation from the post of Independent Director.
- 8. Non-Solicitation clause:** Upon the termination or resignation thereof, regardless of the reason for the termination or resignation, you will not, directly or indirectly, on your own behalf or on behalf of or in conjunction with any person or legal entity, recruit, solicit, or induce, or attempt to recruit, solicit, or induce, any employee of the Company.
- 9. Induction and Company Information:** The Board shall, post your appointment, endeavor to provide you with all requisite information, data and such other relevant facts to help you to appreciate the nature of the Company's Business.
- 10. Code of Conduct:** You shall comply with the code of conduct for Non-Executive Directors (NED) as outlined below:

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- You will always act in the interest of the Company and ensure that any other business or personal association which you may have does not involve any conflict of interest with the operations of the Company and your role therein.
- You will comply with all applicable rules and regulations of all the relevant regulatory and other authorities as may be applicable to you in to your individual capacity.
- You will safeguard the confidentiality of all information received by virtue of your position.

Additionally, you shall also abide by Code of Conduct -Volkswagen Finance Private Limited as amended from time to time and updated on the website of the Company .

Unless specifically authorized by the Company, you shall not disclose company and business information to public constituencies such as media, the financial community, employees, shareholders, agents, franchises, dealers, distributors and importers.

Your obligation of confidentiality will survive termination or cessation of your directorship with the Company. Additionally, you shall not participate in any business activity which might impede the application of your independent judgement in the best interest of the Company.

**11. Role, Duties and Responsibilities:** Your role, functions and duties shall be in accordance with the provisions of Schedule IV (Code for Independent Directors) to the Act, which inter alia includes:

- Directors shall act in accordance with Company's Articles of Association as may be amended from time to time.
- Directors shall act in good faith in order to promote the objects of the Company for the benefits of its members as a whole, and in the best interest of the Company.
- Directors shall discharge your duties with due and reasonable care, skill and diligence.
- Directors shall not involve themselves in a situation in which may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.

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- Directors shall not achieve or attempt to achieve any undue gain or advantage either to them or to your relatives, partners or associates.
- Directors shall not assign their office as Director and any assignments so made shall be void.

12. **Insurance:** VWFPL is covered under Directors' and Officers' liability insurance policy and it is intended that VWFPL will assume and maintain such cover for the full Term of your appointment subject to the Terms of such policy in force from time to time.

13. **Conflict of Interest:**

- 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.
- 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 judgement that you are independent, this should be disclosed to both the Chairman and the Company Secretary.

14. **Sitting Fees:** You will be paid such remuneration (as detailed out in clause 3) by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board from time to time.

15. **Disclosures, other directorships and business interest:** You shall –

- promptly notify the Company of any change in the directorships and provide such other disclosure and information, as may be required under the applicable laws.
- immediately notify the Managing Director and Company Secretary on becoming aware of any potential conflict of interest with your position as Independent Director.
- promptly give a declaration as prescribed under Section 149 (7) of the Companies Act 2013, upon any change in circumstances which may affect your status as Independent Directors.
- give a declaration about inclusion of your name in the data bank maintained under Rule 6 of Companies (Appointment and Qualification of Directors)

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Rules, 2014, each time you submit the declaration required under sub-section (7) of section 149 of the Act.

16. **Changes of personal details:** During the Term, you shall promptly notify the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.
17. **Performance Appraisal / Evaluation Process:** As members of the Board, the performance of the Board, its Committees and of individual directors will be evaluated annually. Evaluation of each Director shall be done by all the other Directors. The criteria for evaluation shall be disclosed in the Annual Report of the Company. The actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committees.
18. **Training and Development:** The Company, shall, if required, conduct training programs, from time to time, as deemed fit for its Independent Directors which may include any or all of the following:
  - i. Board roles and responsibilities, whilst seeking to build working relationship among the Board members,
  - ii. Company's vision, strategic direction, core values, ethics and corporate governance practices,
  - iii. Familiarization with financial matters, management team and business operations,
  - iv. Meetings with stakeholders, visits to business locations and meetings with senior and middle management.

The Company, as may be required, may support Directors to continually update their skills and knowledge and improve their familiarity with the company and its business. The Company will fund/arrange for training on all matters which are common to the whole Board.

19. **Resignation:** You may resign any time from the position of Non-Executive Independent Director by a written notice. It is desirable that you inform Chairman in advance of your intention to resign or not to seek re-appointment which will help to fill the vacancy.
20. **Disengagement:** Your directorship on the Board shall cease in accordance with the provisions of the Companies Act, 2013 or other applicable laws. The Company may disengage with you prior to completion of your term (subject to compliance of relevant provisions of the Act) upon:

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- your violating any of the provisions of the Code of Conduct applicable to the Independent Directors
- failing to meet the criteria for independence as envisaged in Section 149 (6) of the Act, as amended from time to time.

This letter constitutes neither a contract for services nor a service contract.

Please confirm your agreement to the above by signing and returning the enclosed duplicate of this letter.

Yours sincerely,

**For Volkswagen Finance Private Limited**

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**Managing Director and CFO**

I have read and I agree to the above terms regarding my appointment as a Non-Executive Independent Director of Volkswagen Finance Private Limited.

Signature

Place:

Date:

# VOLKSWAGEN FINANCE PRIVATE LIMITED

Date: \_\_\_\_\_

Mr. Ms \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Dear Sir/Madam,

## **Subject- Re-appointment as Independent Director**

We are pleased to inform you that upon the recommendation of Nomination and Remuneration Committee, approval of the Board of Directors of Volkswagen Finance Private Limited (hereinafter referred to as VWFPL or the Company) and approval of Shareholders of the Company at the \_\_\_\_\_ General Meeting held on \_\_\_\_\_, you are being re-appointed as an Independent Director on the Board of the Company for a period of 5 years with effect from \_\_\_\_\_ to \_\_\_\_\_.

The terms and conditions of appointment of Independent Directors of Volkswagen Finance Private Limited ("the Company") are subject to the applicable provisions of the Companies Act, 2013 ("the Act") and rules made thereunder as amended from time to time. The following are the details of the terms of your appointment as Independent Directors of the Company.

21. **Term of Appointment:** You are appointed as Non-Executive Independent Director of Volkswagen Finance Private Limited for a period of 5 years w.e.f. \_\_\_\_\_ to \_\_\_\_\_. You are not liable to retire by rotation.
22. **Committees:** The Board of Directors (the Board) may, if it deems fit, invite Independent Directors for being appointed 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.
23. **Remuneration:** You are entitled for payment of sitting fee for attending the meetings of Board of Directors or its Committees, in addition to the reimbursement of travel/ lodging expenses incurred for attending such meetings. The above fee will be liable / subject to tax in accordance with the provisions of the Income Tax Act and rules made there under, as also other applicable laws, if any, as may be in force from time to time. You shall be entitled to receive such fees/ remuneration as provided under this clause.
24. **Time Commitment:** 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.

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The Audit Committee and Information Technology (IT) Strategy Committee meet at least twice a year and otherwise as required. Besides, there are other Committee meetings like Nomination & Remuneration Committee and Corporate Social Responsibility Committee meetings which are ordinarily convened at least once a year. You will be expected to attend the Meetings of the Board, Meetings of the Committees of the Board in which you are/may become member and Shareholders meetings and to devote such time to your duties, as appropriate to discharge your duties effectively.

By accepting this appointment, you confirm that you are able to allocate sufficient time to perform your role.

25. **Termination:** Your directorship on the Board of the Company shall terminate or cease in accordance with extant law.
26. If at any stage during the Term, there is a change that may affect the status as an Independent Director as envisaged in Section 149 (6) of the Companies Act 2013, you will promptly submit your resignation with effect from the date of such change.
27. **Confidentiality:** You will treat all the information shared as strictly confidential and will not divulge the same to any third party without the prior written consent of the Company. You will be responsible for safeguarding the interest and reputation of the company during the course of your services. The confidentiality clause will survive post termination or resignation from the post of Independent Director.
28. **Non-Solicitation clause:** Upon the termination or resignation thereof, regardless of the reason for the termination or resignation, you will not, directly or indirectly, on your own behalf or on behalf of or in conjunction with any person or legal entity, recruit, solicit, or induce, or attempt to recruit, solicit, or induce, any employee of the Company.
29. **Induction and Company Information:** The Board shall, post your appointment, endeavor to provide you with all requisite information, data and such other relevant facts to help you to appreciate the nature of the Company's Business.
30. **Code of Conduct:** You shall comply with the code of conduct for Non-Executive Directors (NED) as outlined below:
  - You will always act in the interest of the Company and ensure that any other business or personal association which you may have does not involve any conflict of interest with the operations of the Company and your role therein.



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- You will comply with all applicable rules and regulations of all the relevant regulatory and other authorities as may be applicable to you in to your individual capacity.
- You will safeguard the confidentiality of all information received by virtue of your position.

Additionally, you shall also abide by Code of Conduct -Volkswagen Finance Private Limited as amended from time to time and updated on the website of the Company .

Unless specifically authorized by the Company, you shall not disclose company and business information to public constituencies such as media, the financial community, employees, shareholders, agents, franchises, dealers, distributors and importers.

Your obligation of confidentiality will survive termination or cessation of your directorship with the Company. Additionally, you shall not participate in any business activity which might impede the application of your independent judgement in the best interest of the Company.

31. **Role, Duties and Responsibilities:** Your role, functions and duties shall be in accordance with the provisions of Schedule IV (Code for Independent Directors) to the Act, which inter alia includes:

- Directors shall act in accordance with Company's Articles of Association as may be amended from time to time.
- Directors shall act in good faith in order to promote the objects of the Company for the benefits of its members as a whole, and in the best interest of the Company.
- Directors shall discharge your duties with due and reasonable care, skill and diligence.
- Directors shall not involve themselves in a situation in which may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- Directors shall not achieve or attempt to achieve any undue gain or advantage either to them or to your relatives, partners or associates.
- Directors shall not assign their office as Director and any assignments so made shall be void.

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32. **Insurance:** VWFPL is covered under Directors' and Officers' liability insurance policy and it is intended that VWFPL will assume and maintain such cover for the full Term of your appointment subject to the Terms of such policy in force from time to time.

33. **Conflict of Interest:**

- 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.
- 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 judgement that you are independent, this should be disclosed to both the Chairman and the Company Secretary.

34. **Sitting Fees:** You will be paid such remuneration (as detailed out in clause 3) by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board from time to time.

35. **Disclosures, other directorships and business interest:** You shall –

- promptly notify the Company of any change in the directorships and provide such other disclosure and information, as may be required under the applicable laws.
- immediately notify the Managing Director and Company Secretary on becoming aware of any potential conflict of interest with your position as Independent Director.
- promptly give a declaration as prescribed under Section 149 (7) of the Companies Act 2013, upon any change in circumstances which may affect your status as Independent Directors.
- give a declaration about inclusion of your name in the data bank maintained under Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014, each time you submit the declaration required under sub-section (7) of section 149 of the Act.

36. **Changes of personal details:** During the Term, you shall promptly notify the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

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37. **Performance Appraisal / Evaluation Process:** As members of the Board, the performance of the Board, its Committees and of individual directors will be evaluated annually. Evaluation of each Director shall be done by all the other Directors. The criteria for evaluation shall be disclosed in the Annual Report of the Company. The actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committees.
38. **Training and Development:** The Company, shall, if required, conduct training programs, from time to time, as deemed fit for its Independent Directors which may include any or all of the following:
- v. Board roles and responsibilities, whilst seeking to build working relationship among the Board members,
  - vi. Company's vision, strategic direction, core values, ethics and corporate governance practices,
  - vii. Familiarization with financial matters, management team and business operations,
  - viii. Meetings with stakeholders, visits to business locations and meetings with senior and middle management.

The Company, as may be required, may support Directors to continually update their skills and knowledge and improve their familiarity with the company and its business. The Company will fund/arrange for training on all matters which are common to the whole Board.

39. **Resignation:** You may resign any time from the position of Non-Executive Independent Director by a written notice. It is desirable that you inform Chairman in advance of your intention to resign or not to seek re-appointment which will help to fill the vacancy.
40. **Disengagement:** Your directorship on the Board shall cease in accordance with the provisions of the Companies Act, 2013 or other applicable laws. The Company may disengage with you prior to completion of your term (subject to compliance of relevant provisions of the Act) upon:
- your violating any of the provisions of the Code of Conduct applicable to the Independent Directors
  - failing to meet the criteria for independence as envisaged in Section 149 (6) of the Act, as amended from time to time.

This letter constitutes neither a contract for services nor a service contract.

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Please confirm your agreement to the above by signing and returning the enclosed duplicate of this letter.

Yours sincerely,  
**For Volkswagen Finance Private Limited**

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**Managing Director and CFO**

I have read and I agree to the above terms regarding my re-appointment as a Non-Executive Independent Director of Volkswagen Finance Private Limited.

Signature

Place:

Date: