__/__/___

Dear Mr. / Ms. ____________________,

Sub: Appointment as an Independent Director of the Company

I am pleased to inform you that upon the recommendation of the Nomination and Remuneration Committee and the Board of Directors ("the **Board**"), the Members of VA TECH WABAG LIMITED ("the **Company**") at their Meeting held on ____________ has approved your appointment as an Independent Director of the Company ("**Independent Director**"). This letter sets out the terms of your Appointment.

1. APPOINTMENT

Pursuant to the provisions of Sections 149, 152, 161 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 **("Act")** and the Company's (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 **("LODR")**, you will serve as an Independent Director on the Board for a term of _____ years w.e.f. _____________.

2. BOARD COMMITTEES

I. As advised by the Board, during the tenure of your office, you may be required to serve on one or more of the Committees of the Board, from time to time.

II. Currently the Board has 6 committees: Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management and Monitoring Committee, Capital Allocation Committee and Sustainability Committee. The Board is responsible for constituting, assigning, co-opting and fixing terms of service for committee members. The Chairman of the Board in consultation with the Company Secretary and the Committee Chairman / Chairperson determines the frequency and duration of the Committee Meetings. Normally the Board and Audit Committee meets four times a year. The meeting of the Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Risk Management and Monitoring Committee, Corporate Social Responsibility Committee, Capital Allocation Committee and Sustainability Committee be held on any day except on national holidays. Recommendations of the committees are submitted to the Board for approval. The quorum for the meeting will be as per the Act.

a. Audit Committee

Audit committee has the full power and authority to monitor and provide effective supervision of the financial reporting processes, personnel associated with such process including External and Internal Auditors and officers of the Company and the financial controls and systems to ensure integrity of the financial condition of the Company and accurate and timely disclosures. The role of the Audit

Committee inter-alia, includes review with the Management the annual financial statements and auditor's report thereon before submission to the Board for approval; recommend for appointment, remuneration and terms of appointment of Auditors of the Company; disclosure of related party transactions; reviewing with the management the statement of uses / application of funds raised through an issue; scrutiny of inter-corporate loans and investments; valuation of undertakings etc. and carryout any other functions as is mandated by the Board from time to time and /or enforced by statutory notification, amendment or modification as may be applicable.

b. Stakeholders Relationship Committee

The purpose of the Committee is to oversee, review, approve and monitor all matters connected with Company's Securities; review and redress shareholder's grievances; oversee the performance of the Registrar and Transfer Agents and recommend measures for overall improvement in the quality of investor services. Further the Committee also shall monitor Implementation of the Company's Code of Conduct for prevention of Insider Trading and carryout any other functions as is mandated by the Board from time to time and /or enforced by statutory notification, amendment or modification as may be applicable.

c. Nomination and Remuneration Committee

The Purpose of the Committee is to identify persons who are qualified to become Independent Directors, Executive Directors and Non-Executive Directors and who may be appointed in the Senior Management in accordance to the Criteria laid down, carryout evaluation of every Director's performance and to recommend to the Board their appointment and/or removal. Further the Committee shall also administer, formulate the terms and conditions of the Companies Employees' Stock Option Schemes and carryout any other functions as is mandated by the Board from time to time and /or enforced by statutory notification, amendment or modification as may be applicable.

d. Corporate Social Responsibility Committee

The purpose of the Committee is to formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating the activities to be undertaken by the Company, recommend the amount of expenditure to be incurred on the CSR activities, monitor the implementation of the framework of the CSR policy and carryout any other functions as is mandated by the Board from time to time and /or enforced by statutory notification, amendment or modification as may be applicable.

e. Risk Management and Monitoring Committee

The purpose of the Committee is to monitor on-going projects, review projects that are time-over-run / cost-over-run, review Company's risk management practices and activities and carryout any other functions as is mandated by the Board from time to time and /or enforced by statutory notification, amendment or modification as may be applicable.

f. Capital Allocation Committee

The purpose of the Committee is to monitor and review compliances and investments comprehensively for its efficacy, viability and increased risk within the group entities.

You may be nominated to serve on one or more of the Committees of the Board.

g. **Sustainability Committee**

The purpose of the Committee to monitor, enhancing the scope in Business Responsibility and Sustainability Report , advising on implementation of Environment, Social and Governance ratings and ESG investing, finalization of the BRSR & integrated report on ESG.

3. TRAINING

All new Independent Directors inducted to the Board are introduced to the Company culture with appropriate orientation sessions/ familiarization programs. They are provided with necessary documents / brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Periodic Presentations are made at the Board and Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved amongst others from time to time.

4. PROFESSIONAL CONDUCT

As an Independent Director, you shall

a) uphold ethical standards of integrity and probity;
b) act objectively and constructively while exercising your duties;
c) exercise your responsibilities in a bona fide manner in the interest of the Company;
d) devote sufficient time and attention to your professional obligations for informed and balanced decision making;
e) not allow any extraneous considerations that may vitiate your exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
f) not abuse your position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
g) refrain from any action that could lead to a loss of your independence;
h) ensure that if circumstances arise under which you may lose your independence, you will immediately inform the Board accordingly;
i) assist the Company in implementing the best corporate governance practices.

5. ROLE AND FUNCTIONS

As an Independent Director, you shall

a) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
b) bring an objective view in the evaluation of the performance of board and management;
c) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
d) satisfy yourself on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
e) safeguard the interests of all stakeholders, particularly the minority shareholders;

f) balance the conflicting interest of the stakeholders;
g) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
h) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.
i) Other roles as may be prescribed by Companies Act 2013/SEBI LODR 2015

6. DUTIES

As an Independent Director, you shall

a) undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the company;
b) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
c) strive to attend all meetings of the Board of Directors and of the Board committees of which you are a member;
d) participate constructively and actively in the committees of the Board in which you are chairperson or member;
e) strive to attend the general meetings of the company;
f) Where you have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that your concerns are recorded in the minutes of the Board meeting;
g) keep yourself well informed about the company and the external environment in which it operates;
h) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
i) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure that the same are in the interest of the company;
j) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
k) report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
l) act within your authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
m) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

7. REMUNERATION

The Company normally has four Board Meetings in a year and the Independent Directors are expected to attend all the Board Meetings, Committee Meetings in which they are members and the Annual General Meeting (AGM) in person.

All the Independent Directors will be paid remuneration as mentioned below:

Particulars	Amount (in Rs.) per annum
Independent / Non Independent Directors	Rs.20,00,000/- each

The said remuneration shall be paid as per the Nomination and Remuneration Policy of the Company.

In addition to the above, non-executive /Independent Directors would be entitled to the reimbursement of only the following items of expenditure that may be incurred in travelling to the place of the Board meetings and other committee meetings of the Company and back to their normal place of residence:

a) Business class (for international travel) and business class (for domestic travel) airfare from the normal place of residence to the place of the Board or Committee Meetings or AGM and back to their normal place of residence.
b) Accommodation at any hotel as determined by the Company for the duration of Board and Committee meetings or AGM, and during the day prior to and after such meetings.
c) Out-of-pocket expenses, like conveyance, food and incidentals that are incurred during the days of the Board and Committee meetings or AGM.

8. MEMBERSHIP OF OTHER BOARDS

It is expected that you will not serve on the Boards of competing companies. Apart from the applicable law and good corporate governance practices, there are no other additional limitations.

9. MEETINGS

I. Scheduling and selection of agenda items for Board Meetings;

Dates for the Board Meeting for the ensuing year are decided in advance and informed to the Board. Generally, the Board Meetings are held at the Company's Registered Office at "WABAG HOUSE" No.17, 200 Feet Thoraipakkam - Pallavaram Main Road, Sunnambu Kolathur, Chennai - 600 117 either physical or through Video Conferencing mode. The Company Secretary, in consultation with the Chairman and Managing Director of the Company and the Chief Financial Officer (CFO), draft agenda for each meeting, along with explanatory notes, and distribute it in advance to the Board Members. Every Board Member is free to suggest the inclusion of items on the agenda. Normally the Board meets once a quarter to review the quarterly results and other items on the agenda. Additional meetings are held based on need.

In order to comply with the provisions of Companies Act 2013 and to facilitate the participation in the Board meetings, the Company provides video / teleconference facilities and the non-executive / independent directors from various localities, who wish to participate through video / teleconference facilities may pursue with prior intimation as per the provisions of Companies Act 2013.

II. Availability of information to the Board;

The Board has full and unfettered access to any information of the Company and to approach any employee of the Company. At Board meetings, the Board Invites Technical Heads / CEO / CFO and other senior management personnel of the Company and of the subsidiaries as and when required by the Board. In addition, the Board may involve any other external experts / Consultancy for any specific consultation as and when required.

III. Separate meetings of Independent Directors;

1. The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
2. All the Independent Directors of the company shall strive to be present at such meeting;
3. The meeting shall:
    a. review the performance of non-independent directors and the Board as a whole;
    b. review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
    c. assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
    d. The Independent Directors may invite the Managing Director or any senior management personnel of the Company to make presentations on business / other relevant issues.

10. EVALUATION MECHANISM

a) The performance evaluation of Independent Director shall be done by the entire Board of Directors, excluding the director being evaluated.

b) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director

11. DEALING IN SHARES AND CODE OF CONDUCT

The Directors are prohibited from dealing in the Company's shares during the period when the trading window is closed. Further, directors, being designated persons of the Company for the purpose of insider trading Regulations, are to pre-clear all trades (buy/sell/gift) from the Chairman and Managing Director of the Company and the Compliance Officer. You are required to comply with the applicable insider trading laws and regulations. You are also required to comply with the Company's *code of Conduct,* enclosed with this letter of appointment.

12. Insurance:

WABAG 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.

13. TERMINATION AND OTHER TERMS

a. You may resign from your position at any time and should you wish to do so, you are requested to serve reasonable written notice on the Board;

b. You shall at the first meeting of the Board in which you participate as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect your status as an independent director, give a declaration that you meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013; continuation of your directorship is contingent on the above mentioned declaration;

c. You may cease to be an Independent Director, in case of non-adherence to the provisions relating to Independent Directors as prescribed under the provisions of the Companies Act, *2013*, SEBI LODR 2015 and such other provisions as may be applicable from time to time.

It is a pleasure to have you on the Board. I am confident that your association, expertise and advice will immensely benefit the Company and the Board.

Best Regards,
Yours sincerely,
For **VA TECH WABAG LIMITED**
Sd/-
Rajiv Mittal
Chairman and Managing Director
DIN: 01299110

Encl: Code of Conduct

Agreed & Accepted

I hereby accept the above terms and conditions.

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DIN: __________