

CG Power and Industrial Solutions Limited

Registered Office:
CG House, 6th Floor, Dr Annie Besant Road, Worli, Mumbai 400 030, India
T: +91 22 2423 7777 F: +91 22 2423 7733 W: www.cgglobal.com
Corporate Identity Number: L99999MH1937PLC002641



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Our Ref: COSEC/___/___

[Insert Date]

[Insert name of Director]

[Insert address]

LETTER OF APPOINTMENT

On behalf of CG Power and Industrial Solutions Limited (“**the Company**”), I am pleased to inform you that upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company have approved your appointment as an Additional Non-Executive Independent Director on the Board of Directors of the Company. Your appointment shall be for a period of five (5) years effective from _____ subject to approval of the Members of the Company at its next Annual General Meeting.

The detailed terms and conditions of your appointment are set out in the Annexure to this letter.

We look forward to your continued valuable contributions in shaping the decisions and strategies of the Company.

Thanking you

Yours faithfully

For **CG Power and Industrial Solutions Limited**

Designation

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TERMS AND CONDITIONS OF APPOINTMENT

Appointment:

Your appointment as an Additional Non-Executive Independent Director on the Board of the Company has been made in accordance with the provisions of the Companies Act, 2013 (“**the Act**”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) and the Articles of Association (“**AOA**”) of the Company.

Subject to applicable law, an Independent Director is eligible to serve for a period of two terms of upto five (5) years each. Your relationship with the Company will be that of an office-holder and not one of contract for employment in the Company.

You shall hold office for a term of five years effective from _____ subject to the approval of the Members at the next Annual General Meeting and shall be eligible for re-appointment for a further term of up to five years subject to the provisions of the Act and Listing Regulations.

Further as a Non-Executive Independent Director (“**Director**”) you shall not be liable to retire by rotation and shall not be entitled to hold ESOPs, if any issued by the Company in line with the applicable provisions of the Act and Listing Regulations.

Board Expectation:

Being Director of the Company, the Board of Directors (“**Board**”) requests you to provide your valuable contributions and to bring objectivity and independence at the Board and/or Committee Meetings/discussions, as the case maybe, in shaping key decisions, strategies, performance and risk evaluations affecting the Company as well as ensuring high standards of corporate governance.

You will be expected to attend the Board, the Board Committees and the Annual General Meetings of the Company and to devote sufficient time, as required for you to discharge your duties effectively. By accepting this appointment, you confirm that you are in a position to allocate sufficient time to meet the expectations of your role to the satisfaction of the Board.

On the recommendation of the Board, you may be required to serve on one or more of the Committees of the Board during the tenure of your office. Upon your appointment on any Committee, you will be subject to the applicable legal requirements and the terms of reference of the Committee which sets out the functions of the Committee.

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At present, the Company has the following Board Committees:

1. Audit Committee;
2. Risk Committee;
3. Nomination and Remuneration Committee;
4. Corporate Social Responsibility Committee;
5. Stakeholder Relationship Committee;
6. Finance Committee

The Board and the Audit Committee meet at least four times in a year. The meetings of other committees are convened as per requirement.

As per Section 149(8) and Schedule IV of the Act, every Company having Independent Directors on its Board, is required to have atleast one separate Meeting of Independent Directors in a year, without the attendance of non-independent directors and members. We request you to kindly make it convenient to attend this meeting.

Professional Conduct:

As an Independent Director, you shall:

- (1) uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising duties;
- (3) exercise responsibilities in a bona fide manner in the interest of the company;
- (4) devote sufficient time and attention to professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will vitiate you to exercise objective independent judgment in the paramount interest of the Company as a whole, while incurring in or dissenting from the collective judgment of the Board in its decision making;
- (6) 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;
- (7) refrain from any action that would lead to loss of your independence;
- (8) immediately inform the Board about circumstances affecting your independence;
- (9) assist the Company in implementing the best corporate governance practices.

Duties and Liabilities:

Your role and duties will be those that are normally required from an Independent Director under the Act, Listing Regulations, the AOA and Code of Conduct and Business Practices of the Company.

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Directors and Officers Liability Insurance Policy:

The Company has in place a Directors and Officers Liability Insurance (D&O) Policy, which shall also be applicable to you from the date of your appointment.

The Company's D&O Policy covers costs related to legal defence, reputation management and familial hardships on a worldwide basis. In addition to this, the Company also has an internal policy approved by the Board, for indemnification of the Company's Directors and Officers.

Code of Conduct and Business Practices:

The Company has adopted a framework of Values and Code of Conduct and Business Practices for Directors, Senior Management Personnel and employees, which specifies and helps in the implementation of the best Business Practices by establishing certain basic non-negotiable standards of behaviour in key areas. These principles and ethics cover all aspects of our operations. You are requested to kindly abide by the same on continuous basis.

Further as an Independent Director you shall also be required to abide with the Code for Independence Directors as prescribed under Schedule IV of the Act.

Copies of the above codes are enclosed with this letter for your reference in **Annexure A**.

In line with the Regulatory formalities under the Act and Listing Regulations and the Code of Conduct and Business Practices, request you to kindly affirm to the Code of Conduct and Business Practices as per the format enclosed herewith in **Annexure - I**.

Business Interests:

As per the legal requirements, you are requested to promptly notify the Company of any changes in your directorships/committee memberships as and when they take place.

The Company acknowledges that as a Director you may have business interests other than those of the Company and hence have a duty to disclose any interest in a proposed/existing contract, transaction or arrangement with the Company as may be required under the applicable laws. In the event of any potential conflict of interest that may affect your independence, the same should be disclosed to the Board as soon as they become apparent.

Attention is also drawn to the requirements under both legislation and regulation as to the disclosure of price-sensitive information. Consequently, as a Director should refrain from making any statements that might risk a breach of these requirements.

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Sitting Fees & Remuneration:

Being an Independent Director, you shall be entitled to remuneration by way of sitting fees and commission as a percentage of profits of the Company as may be decided by the Board within the overall limits approved by the shareholders of the Company from time to time and in line with the Remuneration Policy of the Company and applicable legal requirements.

In addition to the above, you will also be entitled to reimburse all travel and hospitality expenses related to the assignment as a Member of the Board.

Kindly note that there will be a withholding tax on the remuneration and sitting fees paid, for which the Company will provide the requisite certificate to claim tax credit in order to file Income-tax returns.

Upon termination or upon resignation for any reason, no fee will be payable in respect of unexpired portion of the term of appointment.

Performance Evaluation

A performance evaluation of all Independent Directors is conducted on an annual basis and the report of this evaluation is placed before the Board for due discussion and necessary action.

Further, being an Independent Director, you shall be required to evaluate the performance of non-independent directors and the Board as a whole, review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors and 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.

Directorships / Memberships & Term:

It is expected that you will not serve as a Director in more than twenty (20) companies at the same time of which seven can be listed entities and as an independent director on the Board of more than seven (7) listed entities at any point in time during your term of directorship on the Board of Directors of the Company or such other number as may be fixed/amended from time to time under the Act or Listing Regulations. However in case you serve as whole time director in any listed entity, then in that case you can serve as an independent director in not more than three (3) listed entities.

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

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Further a director shall not act as a member in more than ten (10) committees and chairperson of more than five (5) committees across all public entities whether listed or not. For the purpose of this clause only membership and chairpersonship of Audit Committee and Stakeholders' Relationship Committee shall be considered.

Confidentiality

All information acquired during your tenure of directorship is confidential and you are requested not to disclose any non-public, price sensitive and confidential information acquired by you during your tenure as Director of the Company post your resignation from the Company, unless required by law, to any third parties without prior clearance from the Company.

Insider Trading

The Company has adopted a Code on Insider Trading. As per the Code, all Directors are prohibited from dealing in the Company's securities during the period when the trading window is closed. Further, Directors being "Designated Persons" as per the Company's Code on Insider Trading, can deal in the Company's securities during a valid trading window and after due pre-clearance has been obtained by them.

The Directors are also required to give necessary declarations and disclosures in line with the Code. You are requested to kindly abide by the same on continuous basis. Copy of the Company's Code on Insider Trading is enclosed herewith in **Annexure B**.

In line with the Regulatory formalities under the Act, Listing Regulations and the Code on Insider Trading, request you to kindly confirm to the Code enclosed herewith in **Annexure – II**.

Resignation/Termination

Your resignation or removal shall be subject to the provisions of the Act, Listing Regulations and AOA of the Company.