

*(Specimen Appointment Letter issued to Independent Director(s) of  
Hinduja National Power Corporation Limited)*

25<sup>th</sup> September, 2014

To,  
**Mr./Mrs.....**  
.....

**Appointment as an Independent Director of Hinduja National Power Corporation Limited (“the Company”).**

On behalf of the Board of Directors (Board) of the Company, I take immense pleasure in welcoming you as an Independent Director of the Company upon your appointment at the Annual General Meeting held on September 25, 2014 in terms of the applicable provisions of the Companies Act, 2013, (“the Act”).

As required under Section 152(5) of the Act, we have received your consent to act as an Independent Director of the Company and a Declaration in terms of Section 149 (6) of the Act to the effect that you meet the criteria of Independence as required under Section 149 (7) of the Act.

Your appointment and other terms and conditions are subject to Company policy, Articles of Association, the relevant and applicable provisions of the Act read with Schedule IV of the Act and Rules made thereunder and any other applicable law for the time being in force.

**TERMS AND CONDITIONS:**

**APPOINTMENT:**

The appointment is for a consecutive term of 5 years commencing from September 25, 2014 till September 24, 2019 on non- rotational basis unless otherwise terminated earlier by either side in terms of Sec 168 or Sec 169 of the Act as applicable. The re-appointment shall be on the basis of report of performance evaluation carried out by the entire Board of Directors (excluding you) on the basis of criteria laid down by the Nomination and Remuneration Committee and presented to the Board.

- a) You will strictly abide by the Code for Independent Directors detailed in Schedule IV of the Act. The Schedule is enclosed to this letter as per Annexure “A”.
- b) The Board, in order to derive benefit out of your rich and varied experience, may request and nominate you to serve on one or more Committees of the Board during your tenure.
- c) The Board expects you to dedicate sufficient time and attention towards the business affairs of the Company and participate actively/ constructively in;

- All meetings of the Board;
  - Committee(s) in which you are a member or Chairperson;
  - General meetings of the Company; and
  - Annual Meeting of the Independent Directors.
- d) By accepting the appointment, you confirm that you will be in a position to allocate sufficient time to meet the expectations of your role as an Independent Director.

#### ROLE:

- a) In addition to the role specified under Schedule IV of the Act (Annexure A), you are expected to bring an independent judgment to the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- b) You are further expected to provide an objective view in the evaluation of performance of Board and Management and further scrutinize the performance of Management in meeting agreed goals and objectives.

#### DUTIES

- a) You will adhere to the below mentioned Duties as specified under Section 166 of the Act in addition to the duties mandated under Schedule IV of the Act:
- i. Subject to the provisions of the Act, you shall act in accordance with the Articles of Association of the Company.
  - ii. You 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 interests of the Company, its employees, the shareholders, the community and for the protection of environment.
  - iii. You shall exercise your duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
  - iv. You shall not involve yourself in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
  - v. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners, or associates and if found guilty of making any undue gain, you shall be liable to pay an amount equal to that gain to the Company.
  - vi. You shall not assign your office and any assignment so made shall be void.
- b) In addition to the above, you shall abide by the Code of Conduct devised by the Company for the Board and Senior Management.

## LIABILITIES

As an Independent Director of the Company you shall have the same responsibility like any other Director on the Board. However, you shall be held liable in respect of such acts of omission or commission of the Company which had occurred with your knowledge and with your consent or connivance or where you had not acted diligently.

## FEES/ COMMISSION/ REIMBURSEMENT OF EXPENSES:

- a) Subject to the provisions of the Act and Articles of Association of the Company, wherever applicable, you will be paid a Sitting fee presently at Rs. 20,000/- for attending every meeting of the Board, as a Director and Rs. 10,000/- for every Meeting of the Audit and other Committees as a Member. The sitting fees shall be modified by the Board from time to time as it may deem appropriate. In future, once the Company becomes operational, and depending on availability of profit, the Board of Directors may subject to the conditions of the loan agreement(s) with Banks/ Lenders and any other conditions as may be stipulated by the lenders from time to time; recommend payment of annual commission on the profits of the Company, as may be decided by the Nomination & Remuneration Committee/ Board and approved by the shareholders of the Company, as may be applicable.
- b) You shall be reimbursed traveling and other out of pocket expenses incurred in attending and returning from meetings of the Board of Directors or of any Committee thereof or incurred in connection with the business of the Company. You are required to submit details of expenses together with appropriate receipts so incurred to the Company Secretary.
- c) You shall not be entitled to any Stock Options that may be issued by the Company in future.
- d) During your tenure of appointment as an Independent Director, the Company may seek your professional advice/ service, if required, on certain issues whenever appropriate, at the Company's expense.

## INSURANCE:

The Company will use its best endeavors to maintain appropriate Directors' and Officers' (D&O) liability insurance during your tenure as an Independent Director of the Company.

## OTHER COMPLIANCES:

During your tenure as an Independent Director you will comply with all applicable and related provisions of the Act (including any statutory or other modification or re-enactment thereof) and any other applicable law or regulation in force. You are requested to maintain the limits of Directorship/ Committee membership and chairmanship as required under Section 165 of the Act read with the applicable rules made there-under. Further you shall inform the Company about appointment/cessation of Directorship / Committee membership of the earliest.

- a) 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, you are required to give a declaration confirming that you meet the criteria of Independence as required under Section 149(6) and 149 (7) of the Act.
- b) You are requested to furnish disclosure of interest to the Company as required under Section 184 and 164 (2) of the Act.
- c) You shall be required to attend the meeting/s of Independent Directors to be held on an annual basis and discuss the agenda as provided in Schedule IV of the Act.
- d) During your tenure with the Company, in case you become disqualified as provided in Section 164 (1) of the Act, you are requested to intimate the Company.
- e) You are also requested to ensure that the conditions as prescribed under Section 167 of the Act are not violated resulting in vacation of your office.

#### TRAINING:

On an ongoing basis, the Company/ HR department will make arrangements for you to develop and refresh your skills and knowledge in areas which we mutually identify as being likely to be required, or of benefit to you, in carrying out your duties effectively. You shall endeavor to make yourself available for any relevant training sessions which will be organized by the Company in this regard.

#### CONFIDENTIALITY:

- a) You acknowledge that all information acquired by you during your tenure is confidential to the Company and should not be released, communicated, nor disclosed by any means either during your tenure or following cessation of your tenure (by whatever cause), to any person without prior clearance from the Board of Directors of the Company. You shall abide by the Code of Insider Trading / Company Policy towards disclosure of price sensitive information, if applicable to the Company in future.
- b) Upon cessation of your tenure with the Company (for whatever cause), you shall return to the Company all documents, records, papers or other company property which may be in your possession or under your control, and which relate in any way to the business affairs of the Company, and you shall not retain any copies thereof.

#### REVIEW PROCESS:

- a) Your performance as an Independent Director will be evaluated by the Board of Directors as per the evaluation criteria laid down by the Nomination and Remuneration Committee of the Company.
- b) After due review of your performance, it shall be determined whether to extend or continue your term.

PUBLICATION OF LETTER OF APPOINTMENT:

This Letter and any contractual/ non-contractual obligations arising out of or in connection with this Letter are governed by and shall be construed in accordance with the laws of India.

In terms of Schedule IV of the Act, your letter of appointment will be displayed on the Company's website - [www.hindujanationalpower.com](http://www.hindujanationalpower.com) and the same shall be open for inspection at the Registered Office of the Company by any member during normal business hours.

Please confirm your agreement to the above terms and conditions by signing and returning to me the enclosed duplicate of this Letter.

Yours sincerely  
For **Hinduja National Power Corporation Limited**

Sd/-

**Chairman**

To,  
The Chairman  
Hinduja National Corporation Limited

I hereby confirm and agree to the terms of my appointment as an Independent Director of the Company as set out in this letter.

Accepted by me.

Independent Director:

Signature\_\_\_\_\_