

SAMPLE LETTER FOR APPOINTMENT OF INDEPENDENT DIRECTORS

Date:-

To
[Name]

Dear Sir/Madam,

We are pleased to inform you approval of the Board of Directors of QUALITY POWER ELECTRICAL EQUIPMENTS LIMITED (hereinafter referred to as QPEEL or the Company) and the 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.

The terms of your appointment shall be as follows:

1. Appointment

1.1 You have been appointed as an Independent Director on the Board of Directors of QPEEL with effect from [•] for a period of up to [•] years. The appointment shall be governed by the provisions of the Companies Act, 2013 and the Listing Regulations, 2015, as amended from time to time, respectively. The appointment is also subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013 and the Listing Regulations, 2015.

1.2 The term 'Independent Director' should be construed as defined under the Companies Act, 2013 and the Listing Regulations, 2015.

1.3 The Company has adopted the provisions with respect to the appointment and tenure of Independent Directors which are consistent with the Companies Act, 2013 and the Listing Regulations, 2015. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. The disengagement earlier than five years will be in accordance with the provisions of the Companies Act, 2013 or on mutually agreed terms.

1.4 The provisions contained in the Companies Act, 2013 and the Listing Regulations, 2015 will apply as regards the performance evaluation of Independent Directors is concerned. The performance of Independent Directors shall be evaluated by the entire Board of Directors, excluding the Director being evaluated. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of your appointment as an Independent Director.

2. Committees

The Board of Directors (the Board) may invite you to be appointed to one or more Board Committees or any such Committee that is set up in the future. The appointment to such Committee(s) will be subject to the applicable regulations.

3. Role and Duties

The role and duties will be those normally required of an Independent Director under the Companies Act, 2013 and the Listing Regulations, 2015. There are certain duties prescribed for all Directors, both Executive and non-executive Independent, which are fiduciary in nature and are as under:

- (i) To act in accordance with the Company's Articles of Association.
- (ii) To 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 interest of the Company.
- (iii) To discharge your duties with due and reasonable care, skill and diligence.
- (iv) To 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) To not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
- (vi) To not assign your office as Director and any assignments so made shall be void.
- (vii) The Non-Executive Independent Directors are also required to abide by the provisions of 'Code for Independent Directors' as provided in Schedule IV of the Companies Act, 2013

4. Status of Appointment

- 4.1 Appointment as an Independent Director shall not refer to the status of an employee and this letter shall not constitute a contract of employment. You will be paid such remuneration by way of sitting 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, remuneration shall be paid by way of commission as may be approved by the Board and the Shareholders from time to time.
- 4.2 The sitting fees, presently paid to the Non-Executive Independent Director is Rs. [•]/- for every meeting of the Board of Directors attended by them. And Rs. [•]/- for every Committee meeting attended by the members of the Committee held during the year.
- 4.3 The remuneration payable to the Independent Directors shall be within the overall limit as provided in Schedule IV of the Companies Act, 2013, as approved by the Members of the Company.

5. Reimbursement of Expenses

In addition to the remuneration described in paragraph 4, 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.

6. Conflict of Interest

- 6.1 It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to the 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.
- 6.2 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 judgement that you are independent, this should be disclosed to both the Chairman and the Secretary.

7. Confidentiality

All information acquired during your appointment is confidential to QPEEL 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 QPEEL.

Attention is also drawn to the requirements under the applicable regulations and the QPEEL Share Dealing Code which concern the disclosure of price-sensitive information and dealing in the securities of QPEEL. 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 Secretary.

8. Insurance

QPEEL is in the process of finalizing Directors' and Officers' liability insurance and it is intended that QPEEL will assume and maintain such cover for the full term of your appointment.

9. 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. The general notice that you are interested in any contracts with a particular person, firm or company is acceptable.

10. Resignation & Termination of the Agreement

- a. Resignation from the position at any time can be given and should you wish to do so, it is requested to provide reasonable written notice to the Board.
- b. Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with provisions of the 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 Articles of Association of the Company from time to time in force.

11. 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 Indian courts.

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

For any questions or clarifications with respect to the terms of appointment contained herein, please contact the Executive Director, Legal & Corporate Affairs and Company Secretary.

Yours sincerely

For and on behalf of QUALITY POWER ELECTRICAL EQUIPMENTS LIMITED

Sd/-
Chairman & Managing Director

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

Signature

Name:

DIN:

Date: