



Draft Terms & Conditions of Appointment of Independent Directors of Lloyd Electric & Engineering Ltd. (“the Company”)

Date: _____

To,

Add: _____

Subject: Appointment of Non- Executive Independent Director on the Board of the Company

Dear Sir / Madam,

We are pleased to inform you that upon recommendation by Nomination and Remuneration Committee, the Board, subject to the approval of shareholders, has approved your appointment as a Non-Executive Independent Director on the Board of the Company for a period of _____. This letter of appointment sets out the terms of your appointment as an independent director and are subject to the extant provisions of (i) the Companies Act, 2013 (the Act) and Listing Agreement (as amended, modified, substituted from time to time) and (ii) Articles of Association of the Company.

1. Appointment:

- i. In accordance with the provisions of the Companies Act, 2013, other applicable laws and Listing Agreement executed with the Stock Exchanges, you are appointed as a Non Executive Independent Director on the Board of the Company with effect from _____. Your appointment is subject to the approval of the shareholders of the Company at the ensuing General Meeting as per the provisions of the Companies Act, 2013. Your 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 Agreement.
- ii. In compliance with the provisions of Section 149 of the Companies Act, 2013, your directorship is not be liable to retire by rotation.



iii. The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the Listing Agreement. Your present term is for a period of _____ years and you will serve as a Non-Executive Independent Director up till _____. The Company is at liberty to disengage Non Executive Independent Director earlier subject to compliance of relevant provisions of the Companies Act, 2013.

iv. Your re-appointment at the end of the term shall be based on recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board of Directors and shareholders of the Company.

2. Board Committees

The Board of Directors ('the Board') may, if it deems fit, invite you for being appointed on one or more existing Board Committee or any such Committee that is set up in future. Your appointment on such Committee(s) will be subject to the applicable regulation.

3. 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 integrity and corporate governance. You will be expected to devote such time to your duties, as appropriate for you to discharge your duties effectively.

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) Not abuse his 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.
- e) Assist the Company in implementing the best Corporate Governance practices.



5. Role and Functions:

Your role and duties will be those required of a Non-Executive Independent Director under the Companies Act, 2013 and the listing agreement and you shall act:

- a) In accordance with the Company's Articles of Association
- b) 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.
- c) Discharge your duties with due and reasonable care, skill and diligence.
- d) 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.
- e) Not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.

6. Status of appointment, Remuneration and Re-imbursment of Expenses:

- I. You will not be an employee of the Company 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 as may be decided by the Board and approved by the Shareholders of the Company from time to time.
- II. The sitting fees presently paid to the Non-Executive Independent Director is Rs.15,000/- per meeting of the Board which is subject to the revision as and when deemed appropriate by the Board of Directors.
- III. As per the Company's policy, the Company shall re-imburse the travelling and out of pocket expenses to Directors for attending the meeting held at the city and other places thereon.

7. Conflict of Interest:

- I. 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.
- II. 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 judgment that you are independent, this should be disclosed to both the Chairman and the Secretary, immediately.

8. Confidentiality:

All information acquired during your appointment is confidential 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.

9. Induction:

Immediately after your appointment, you will be invited to attend an initial induction session and, thereafter, ongoing training and familiarization sessions, including briefings from management and site visits. Please avail yourself of these opportunities as fully as is appropriate to your personal circumstances.

10. Evaluation:

The Company has adopted a policy on Board Evaluation. The policy provides for evaluation of the Board, the Committees of the Board and individual Directors, including the Chairman of the Board. As per the Policy, the Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis. Your appointment and re appointment on the Board shall subject to the outcome of the yearly evaluation process.

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



12. Termination:

- i. You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice on the Board.
- ii. Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with provisions of 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.

13. Information on Meetings:

Every Board member is free to suggest the matters to be discussed at the Board Meetings. 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. All the Board members are expected to make it convenient to attend the Board Meetings. Draft Agenda for each meeting along with the explanatory notes are distributed in advance to the Board Members. Pursuant to Companies act, 2013, the Company may provide video/teleconference facilities to facilitate participation of Directors in the Board Meeting.

14. Dealing in Shares & Code of Conduct:

During your appointment, you are required to comply with the regulations as contained in Schedule IV under the Companies Act, 2013 including the following code of conduct of the Company (copies enclosed):

- i. Code of Conduct for Directors and Senior Management
- ii. Code of Conduct for Prevention of Insider Trading

15. Governing Law :

This letter of appointment 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 the Company, kindly confirm your acceptance of these terms by signing and returning to us the enclosed Copy of this letter.

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

Yours faithfully,

For Lloyd Electric & Engineering Ltd.

DIN: _____

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

Signature :

Name:

DIN:

Date :

Note: These are the general terms and conditions of appointment of independent directors which are subject to amendments / modifications.

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