



# GUJARAT INDUSTRIES POWER COMPANY LTD.

Regd. Office: P.O. Ranoli – 391 350, Dist. Vadodara, Gujarat – INDIA

CIN: L99999GJ1985PLC007868

Ref.: GIPCL/SEC/ID/Appoint/

Date: \_\_\_\_\_

To:

\_\_\_\_\_  
**Independent Director**  
\_\_\_\_\_  
\_\_\_\_\_

**Sub.: Appointment as Independent Director (ID) of the Company pursuant to the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 made there under and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time.**

Dear Sir / Madam,

I am writing to confirm your appointment as an Independent on the Board of Directors of Gujarat Industries Power Company Limited (hereinafter referred to as GIPCL), with effect from \_\_\_\_\_, being the date of passing of Special Resolution by the Shareholders of the Company at their \_\_\_\_ Annual General Meeting held on \_\_\_\_\_. (Copy attached at **Annexure A**). This letter of appointment sets out the terms and conditions of your appointment which are as follows:

1. Your appointment as an Independent Director was recommended by the Nomination & Remuneration Committee and was also recommended by the Board of Directors of the Company vide Board Resolution No. \_\_\_\_\_ dated \_\_\_\_\_ and approved by the Shareholders by passing Special Resolution, at their Annual General Meeting dated \_\_\_\_\_. Your appointment will be as an Independent Director (Non-Executive Director) for period of \_\_\_\_\_ from the conclusion of \_\_\_\_\_ Annual General Meeting (dated \_\_\_\_\_) to the conclusion of \_\_\_\_ Annual General Meeting. Your appointment is also subject to the maximum permissible Directorships that a person can hold as per the provisions of the Companies Act, 2013 (the Act) and the Listing Regulations.
2. The term 'Independent Director' should be construed as defined under the Companies Act, 2013 and the Listing Regulations.

## Committees:

1. You shall strive to attend all meetings of the Board of Directors and of the Board Committee(s) of which you shall be a Member;
2. You shall participate constructively and actively in the Committees of the Board in which you are Chairperson or Member;



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### 3. Time Commitment:

3.1 As a Non-Executive Independent 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 probity and corporate governance. The Board shall meet at least four times in a year. The Audit Committee shall also meet at least four times in a year, whereas Risk Management Committee shall meet twice in a year. Besides, there are other Committee Meetings like Stakeholders' Relationship Committee Meeting and Nomination and Remuneration Committee Meeting which shall meet at least once in a year, whereas, Corporate Social Responsibility Committee Meetings are ordinarily convened about four times a year. You will be expected to attend Meetings of the Board, Board Committees and General Meetings of Shareholders and to devote such time to your duties, as appropriate for you to discharge your duties effectively. Ordinarily, the meetings are held in Gandhinagar.

3.2 By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.

### 4. Role and Duties:

Your role and duties will be those as normally required by the Non-Executive Independent Director under the Companies Act, 2013 and the Listing Regulations. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:

- I. You shall act in accordance with the Company's Articles of Association;
- 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 interest of the Company;
- III. You shall discharge your duties with due and reasonable care, skill and diligence;
- 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. Please refer to clause 6 for full explanation on conflict of interest.
- V. You shall not achieve or attempt to achieve any undue gain or advantage directly or indirectly, either to yourself or to your relatives, partners or associates.
- VI. You shall not assign your office as Director and any assignments so made shall be void.



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In addition to the above requirements applicable to all Directors, the role of a Non-Executive Director has following key elements:

**Strategy:** Non-Executive Directors should constructively challenge and help develop proposals on strategy;

**Performance:** Non-Executive Directors should scrutinize the performance of management in meeting agreed goals and objectives;

**Risk:** Non-Executive Directors should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;

**People:** Non-Executive Directors are responsible for determining appropriate levels of remuneration of Executive Directors and have a prime role in appointing and where necessary, removing Executive Directors and in succession planning;

**Reporting:** Non-Executive Directors take responsibility for the processes for accurately reporting on performance and the financial position of GIPCL and

**Compliance:** Non-Executive Directors should keep governance and compliance with the applicable legislation and regulations under review and the conformity of GIPCL practices to accepted norms.

## 5. Status of Appointment and Remuneration:

5.1 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 attending the Meetings of the Board and its Committees as may be decided by the Board and approved by the Shareholders from time to time.

### 5.2 Sitting Fees and Reimbursement of Expenses for attending Meetings of Board of Directors or Committee(s) thereof:

You will be paid the following by way of remuneration for attending Meeting(s) of the Board of Directors or Committee(s) thereof:

1. Sitting fees @ Rs.17,500/- (Rupees Seventeen Thousand and Five Hundred) per Meeting attended or such other sum as may be decided by the Board of Directors from time to time;
2. Incidental Allowance @ Rs.4,000/- (Rupees Four Thousand) per day or such other sum as may be decided by the Board of Directors from time to time;
3. Mileage Allowance @ 12.50 per k.m., if you travel by your own vehicle or such other sum as may be decided by the Board of Directors from time to time; and



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4. Reimbursement of actual Travelling, Hotel Accommodation, Local Conveyance and other expenses incurred by you and for attending to any other business of the Company.

## **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 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.
- 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 judgment that you are independent, this should be disclosed as soon as possible to both the Chairman and the Secretary.

## **7. Confidentiality:**

All information acquired during your appointment is confidential to GIPCL and should not be released, either during your appointment or following termination (by whatever means), to any third party without prior written approval / 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 GIPCL.

Your attention is also drawn to the requirements under the applicable regulations and the GIPCL Insider Trading Code and Code of Conduct which concern the disclosure of price sensitive information and dealing in the securities of GIPCL. Consequently, you should avoid making any statements or performing any transaction that might risk a breach of these requirements without prior written consent / clearance from the Chairman or the Secretary.

## **8. 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.

## **9. 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 be subject to the outcome of the yearly evaluation process.



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## 10. Insurance:

GIPCL has Directors' and Officers' Liability Insurance and it is intended that GIPCL will assume and maintain such cover for the full term of your appointment.

## 11. Independent Professional Advice:

There may be occasions when you consider that you need professional advice in furtherance of your duties as a Director and it will be appropriate for you to consult independent advisers at the Company's expense. The Company will reimburse the full cost of expenditure incurred in accordance with the Company's policy.

## 12. Disclosure of Interest:

The Company is required to 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 Company's records are updated. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.

## 13. Termination:

- a. 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.
- b. 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.
- c. Your appointment may also be terminated in accordance with the provisions of the Companies Act and the Articles of Association of the Company from time to time in force.

## 14. Governing Law:

This 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.



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Kindly confirm your acceptance to your appointment and above terms by signing and returning to us the enclosed copy of this Letter.

Thanking you,

**Yours sincerely,**

**For and on behalf of Gujarat Industries Power Co. Ltd.**

( \_\_\_\_\_ )

**Managing Director**

I hereby acknowledge receipt of and accept the Terms set out in this Letter.

Signature : \_\_\_\_\_  
( \_\_\_\_\_ )  
DIN: \_\_\_\_\_

Date : \_\_\_\_\_