



INDIA NIPPON ELECTRICALS LIMITED

(All Correspondence to be addressed to Registered Office)

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Chennai - 600 002.
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Mr V Balaraman (DIN: 00267829)
Apt 202, Tower 5,
Ceebroś One 74
Adyar Sea Face, Satyadev Avenue
MRC Nagar, RA Puram
Chennai 600 028

Date: November 25, 2019

Dear Balaraman,

Sub: Re-Appointment as Independent Director of India Nippon Electricals Ltd (INEL)

We are pleased to advise you that the shareholders approved your re-appointment to the Board of INEL as an Independent Director with effect from 16th August, 2019. Your re-appointment is as per the Nomination & Remuneration Policy Guidelines of the company, approved at the respective meeting(s) of the N&R Committee / Board held on 6th April 2019.

Your term of appointment and other terms and conditions shall be as below and as envisaged and subject to the extant provisions of the Companies Act, 2013, Listing Regulations (as amended from time to time), Articles of Association (AoA) and the Nomination and Remuneration Policy Guidelines of the Company.

This letter specifically sets out the terms of appointment applicable to you. Your relationship with the Company will be that of a Director and not one-off contract for employment in the Company.

1. Appointment

- 1.1 Your re-appointment to the Board of INEL as an Independent Director shall be with effect from 16th August, 2019 and to hold office until the conclusion of the Annual General Meeting of the company to be held in the year 2022. Your re-appointment is subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013 and Listing Regulations.
- 1.2 The term Independent Director should be construed as defined under the Companies Act, 2013 and the Listing Regulations.
- 1.3 The Company has adopted a Nomination & Remuneration Policy Guidelines which provides for maximum 4 years tenure for Independent Directors. Accordingly, your appointment shall be valid until the conclusion of the Annual General Meeting of the company to be held in the year 2022.
- 1.4 In compliance with provisions of Section 149(13) of the Companies Act, 2013, your directorship is not subject to retirement by rotation.



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1.5 Notwithstanding other provisions of this letter, the appointment may be terminated in accordance with the provisions of the Articles of Association of the Company or on failure to meet the parameters of independence as defined in Section 149(6) or on the occurrence of any event as defined in Section 167 of the Companies Act, 2013.

2. Time Commitment

Considering the nature of the role of a Director, it is difficult for a company to lay down specific parameters on time commitment. You agree to devote such time as is prudent and necessary for the proper performance of your role, duties and responsibilities as an Independent Director.

3. Committees

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

4. Participation

As an Independent Director, the Act requires you 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. You will be expected to attend Board, Board Committees to which you may be appointed, Shareholders meetings and discharge your duties effectively. Ordinarily, all meetings are held in Chennai.

5. Role and Duties

5.1 Your role and duties will be those normally required of an 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 8 for full explanation on conflict of interest.
- V. You shall not achieve or attempt to achieve any undue gain or advantage 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.

5.2 In addition to the above requirements applicable to all Directors, the Company expects the Independent Directors to bring one or more of the following skill sets/ competencies to the Board:

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- **Leadership / Strategy:** Experience of playing leadership roles in reputed Companies, with competencies around strategy development & implementation, sales & marketing, business administration, operations and people management.
- **Industry Experience:** Strong knowledge and experience in automotive industry and in managing business operations of a sizeable organization in the business of manufacture and sale of automobiles, automotive electronics and other auto components.
- **Financial Knowledge:** Practical knowledge and experience in accounting and finance to analyze statements, assess financial viability, contribute to financial planning, oversee budgets and funding.
- **Executive management:** Experience in evaluating performance of senior management, and overseeing strategic human capital/ succession planning. Experience in industrial relations and organizational change management programmes.
- **Technology:** Sound knowledge of IT governance and systems including privacy, data management and security.
- **Risk & Compliance:** Ability to monitor risk and compliance and knowledge of legal and regulatory requirements (including industry specific laws).

6. Status of Appointment

- 6.1 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 from time to time within the limits prescribed under the Act. Further, you will also be paid remuneration by way of commission as may be approved by the Board and the Shareholders from time to time subject to the overall limit stipulated under the Act and approved by the Shareholders.
- 6.2 The sitting fees presently paid to the Non-Executive Independent Director is Rs. 20,000/- per meeting of the Board and meeting of the Committee(s) thereof. In addition to this, sitting fee is paid for the separate meeting(s) of the Independent Directors.
- 6.3 In addition to the remuneration, for the period of your appointment, the Company will reimburse you for travel, hotel and other incidental expenses incurred by you for attending Board/ Committee meetings, Annual General Meetings, Extra-ordinary General meetings, Court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training.

7. Insurance

The Company will take an appropriate Directors' and Officers' Liability Insurance Policy and pay the premiums for the same. It is intended to maintain such insurance cover for the Term of your appointment, subject to the terms of such policy in force from time to time. A copy of the policy document will be supplied to you on request.

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8. Conflict of Interest & Annual Declarations

- 8.1 It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to your appointment, 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 and also in the first meeting attended by you in every financial year.
- 8.2 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 the Chairman/ Managing Director/ Company Secretary.
- 8.3 The Company must include in its Annual Accounts a note of any material and/or non-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.
- 8.4 During your term as an Independent Director, you agree to promptly notify the company of any change in your directorships, and provide such other disclosures, declarations and information as may be required from time to time under all applicable laws.

9. Confidentiality

- 9.1 All information acquired during your appointment is confidential to the Company and should not be released, either during your appointment or after you cease to be a Director (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 the Company.
- 9.2 I am sure that you will avoid making any statements or performing any transactions that might risk a breach of the above requirements without prior clearance from the Chairman.

10. Code of Conduct

Your attention is drawn to the requirements under the applicable regulations and the Company's code of conduct for regulating Insider Trading, which concern the disclosure of price sensitive information and dealing in the securities of the Company. Your attention is also drawn to the Companies Policies relating to fair disclosure, Code of Conduct and Business Ethics that are available at the Company's website. You agree to abide by all of them wherever applicable and certify annually your continued adherence.

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11. Training

The Company may organize, from time to time, training to Independent Directors which I hope you will avail as is appropriate to your personal circumstances. In addition, you are required to keep yourself updated of all developments relevant to your field of expertise and those affecting the business so as to contribute to the quality of Board deliberations.

12. Performance Appraisal/ Evaluation Process

12.1 The Company has laid down criteria for Board Evaluation. As required by the Companies Act, evaluation of the Board, the Committees of the Board and individual Directors, including the Chairman of the Board shall be carried out in reference to the criteria laid down. The Company will carry out the evaluation on an annual basis. The outcome of such evaluation shall be considered for the purpose of re-appointment and remuneration related decisions.

12.2 The criteria for evaluation, inter-alia, shall include:

- a. Knowledge and Competency - of the company/industry etc.
- b. Fulfilment of functions - as assigned by the Board/Law
- c. Ability to function as a team
- d. Initiative
- e. Availability and Attendance
- f. Commitment
- g. Contribution in the Board meetings
- h. Integrity - in terms of interest disclosures, maintenance of confidentiality etc.
- i. Independence from the Company & Other Directors
- j. Independent view and free expression of opinion.

13. Enrollment to MCA database

13.1 You are expected to apply to register and enroll yourself with relevant database of Independent Directors notified under the Companies Act and shall ensure to keep the registration current during your tenure.

13.2 Where applicable, you may have to undergo assessments from time to time as required under the provisions of Companies Act/ Listing Regulations. You will have to share the result of those assessments with the Company for ensuring requisite Compliances.

14. Changes of personal details

During your term, you shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the company. Further, you shall ensure continued Compliance with the Director KYC requirements and submit proof of such Compliance with the Company. You agree and permit the Company to provide certain credentials pertaining to you to Statutory Authorities connected to obtaining licenses, registrations etc.

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15. Vacation of Office

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. In addition, you are required to ensure proper and adequate documentation in relation to the resignation as required by the Companies Act/ Listing Regulations.

As you will have served 2 terms upon completion of this term (please refer to Clause 1.1 above), continuation of your directorship is contingent, after the cooling off period as per law, and 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, subject to fulfilling all the statutory criteria.

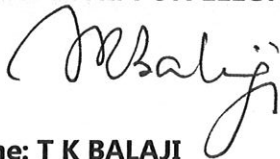
16. Acceptance of Appointment

We are confident that the Board and the Company will benefit immensely from your rich experience and we are eager to have you as an integral part of the growth of our company. You are requested to please confirm your acceptance by signing and returning the enclosed copy of this letter.

We thank you for your support and commitment to the company.

We Welcome You,

**By the Order of Board of Directors
For INDIA NIPPON ELECTRICALS LTD**



**Name: T K BALAJI
Designation: CHAIRMAN**

Agree and Accept:

I have read and understood the terms of my appointment as an Independent Director of the company and I hereby affirm my acceptance to the same.

Place:

Chennai

Date:

10/11/2020

Signature: 

Name: V Balaraman