

Date:

<Name>

<DIN>

<Address>

Sub: Appointment as Independent Director of Crompton Greaves Consumer Electricals Limited (“the Company”)

Dear <Name>,

We thank you for sending us the confirmation that you meet the “Criteria of Independence” as provided under Section 149 and other applicable provisions of the Companies Act, 2013 and also for consenting to hold office as an Independent Director of the Company.

It gives me great pleasure to inform you that your appointment as an Independent Director has been approved by the Board of Directors of the Company at their meeting held on _____ which shall be recommended by the Board to the shareholders of the Company. This letter is being issued outlining the terms of your appointment, subject to the provisions of applicable laws including the provisions of the Companies Act, 2013 (the “Act”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”).

1. Appointment:

Your appointment as an Independent Director on Board of the Company shall be for a term of 5 (five) consecutive years with effect from _____ subject to the approval of shareholders within 3 months from _____. Your office shall not be liable to retire by rotation in accordance with the provisions of the Act.

Re-appointment at the end of the term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to approval of the Board and shareholders of the Company and on the basis of outcome of your performance evaluation process.

The Board may from time to time request you to participate in one or more Committee(s) of the Board of Directors, subject to your agreement. This list of Committee(s) of the Board and their terms of reference is appended and marked as **Annexure I** for your reference.

2. Role & Duties:

The Company expects its Directors to uphold ethical standards of integrity and probity. As an Independent Director, you shall be required to undertake such roles, responsibilities, duties and functions as prescribed in Schedule IV of the Act such other applicable provisions, if any, of the Act, the Listing Regulations, other applicable laws and such other duties as may be determined by the Board from time to time.

As an Independent Director of the Company you shall be required to fulfil all the fiduciary duties along with the accompanying liabilities that come with your appointment as an Independent Director.

Your Role, Responsibilities and Duties as Independent Director of the Company is enclosed and marked as **Annexure II** for your reference.

3. Directors and Officers Insurance:

The Company has availed a Directors and Officers Liability Insurance Policy which extends to the Company, its Directors and Officers. The said policy shall be extended to you from the date of your appointment.

4. Code of Conduct:

The following Codes are applicable to the Independent Directors:

- a. Code of Conduct for Board and Senior Management Personnel (which forms part of the Company's Code of Conduct);
- b. Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons; and
- c. Such other codes as may be prescribed, subject to the approval of the Board, from time to time.

A copy of the aforementioned Codes is appended and marked as **Annexure III** for your reference

An Independent Director shall not perform any actions which are in violation of the provisions of the Act, the Listing Regulations, the Securities and Exchange Board of India Act, 1992, the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company's Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons, Code of Conduct for Directors and Senior Management Personnel, Vigil Mechanism & Whistle Blower Policy and such other Codes/ Policies/ Regulations and enactments as may be applicable to the Company and to its Directors.

With the acceptance of this letter you agree to comply with such Codes/Policies/Regulations and enactments as may be applicable to the Company and its Directors and acknowledge that you are in conformity with them.

5. Remuneration:

A Non-Executive Independent Director shall be entitled to remuneration by way of commission paid annually and sitting fees for attending meetings of the Board and its Committee(s) in accordance with the provisions of the Act.

Board Sitting Fees

The Sitting fees payable for your attendance at each Board Meeting and Meetings of Committee(s) in which you may be nominated as a Member, shall be determined by the Board from time to time.

Commission:

As per the provisions of Section 197(1)(ii) of the Act, the remuneration payable to the Non-Executive Directors shall not exceed 1% of the net profit of the Company calculated under Section 198 of the Act read with the Companies (Appointment and Remuneration) Rules, 2014. Further, the Company may pay remuneration exceeding 1% of the net profits of the Company in case of inadequate profits in compliance with Schedule V of the Act subject to the approval of shareholders of the Company.

The commission as approved by the Board, in accordance with the provisions of Section 197 and Schedule V of the Act shall be paid annually for each financial year, on such criteria as may be determined by the Board.

6. Term:

Subject to applicable law, Independent Directors are eligible to serve for a period of two terms of 5 years each or up to the age of retirement (75 years) whichever is earlier.

7. Disclosure:

During the term of your office/appointment you may promptly notify the Company, any changes in your Directorships and submit such disclosures, information and details as may be required under applicable laws. During your tenure, you agree to provide a "Declaration of Independence" under Section 149(7) of the Act upon any change in circumstances which may affect your status as an Independent Director of the Company.

8. Confidentiality:

All non-public information obtained during your appointment is confidential for the Company and should not be released, either during your appointment or following cessation (by whatever means) to third parties without prior clearance from the Company, or as required by due process of law.

9. Trading Window Closure:

The Company shall specify a trading period, to be called "trading window", for trading in the Company's securities. When the trading window is closed, the Directors shall not trade in the Company's securities in such period.

The trading window shall be closed during the following time periods when the information is unpublished:

- (i) financial results;
- (ii) dividends;
- (iii) change in capital structure;
- (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
- (v) changes in key managerial personnel.

The time for commencement of closing of trading window shall be decided by the Company. The trading window shall be opened 48 hours after the information referred to above is made public.

10. Retirement Policy:

The Nomination and Remuneration Committee may, at its discretion, determine their continuation as members of the Board upon superannuation/retirement. The age of retirement for Independent Directors is 75 years.

11. Corporate Calendar:

The corporate calendar and the Board meeting dates shall be intimated in advance from time to time.

12. Information on Meetings:

Scheduling and selection of agenda items for Board meetings

Dates for the Board meeting for the ensuing year are decided in advance. Generally, the Board meetings are held at the Company's Registered Office at Mumbai. The agenda for each meeting, along with explanatory notes is distributed in advance to the Board members. Every Board member is free to suggest the inclusion of items on the agenda. Normally, the Board meets once a quarter to review the quarterly results and other items on the agenda. The Board also meets during the shareholders' Annual General Meeting. Additional meetings are held based on need.

Availability of information to the Board

The Board has full and unfettered access to any information of the Company, and to any employee of the Company. At Board meetings, the Board invites Managers of the Company when additional details into the items being discussed are required.

13. Change in Personal Details:

During the term, you shall promptly intimate the Company Secretary in the prescribed manner of any change in the address or other contact and personal details provided to the Company.

We would be grateful if you would confirm receipt of this letter and your acceptance of the re-appointment by signing and returning the enclosed duplicate of this letter.

I look forward to welcoming you on the Board. I am sure that the Board and the Company will benefit substantially from your valuable contribution and inputs.

For **Crompton Greaves Consumer Electricals Limited**

Managing Director

I agree to the terms and conditions of my appointment as set out in this letter.

Sign :
Name :
Date :

Enclosures:

- Annexure I – List of Committee(s) and Terms of Reference of Committee(s)**
- Annexure II – Role, Responsibilities and Duties as Independent Director of the Company**
- Annexure III – Code of Conduct and
Code of Conduct to Regulate, Monitor and Report Trading by Designated
Persons**

Annexure – I

LIST OF COMMITTEE(S) AND TERMS OF REFERENCE OF COMMITTEE(S)

| Sr. No. | Name of Committee & Composition of Committee | Terms of Reference |
|---------|--|--------------------|
| 1 | <p><u>Audit Committee</u></p> <p>1. _____ - Chairman 2. _____ - Member 3. _____ - Member</p> | As applicable |
| 2 | <p><u>Nomination & Remuneration Committee</u></p> <p>1. _____ - Chairman 2. _____ - Member 3. _____ - Member</p> | As applicable |
| 3 | <p><u>Stakeholders Relationship & Share Transfer Committee</u></p> <p>1. _____ - Chairman 2. _____ - Member 3. _____ - Member</p> | As applicable |
| 4 | <p><u>Corporate Social Responsibility Committee</u></p> <p>1. _____ - Chairman 2. _____ - Member 3. _____ - Member</p> | As applicable |
| 5 | <p><u>Risk Management Committee</u></p> <p>1. _____ - Chairman 2. _____ - Member 3. _____ - Member</p> | As applicable |

Annexure – II

ROLE, RESPONSIBILITIES AND DUTIES AS INDEPENDENT DIRECTOR OF THE COMPANY

The Board seeks members from diverse professional and personal background who combine a broad spectrum of experience & integrity.

Following are expected from Independent Director:

- uphold ethical standards of integrity and probity;
- act objectively and constructively while exercising his duties;
- exercise his responsibilities in a bona fide manner in the interest of the Company;
- devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- 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;
- refrain from any action that would lead to loss of his independence;
- where circumstances arise which make an Independent Director lose his independence, the Independent Director must immediately inform the Board accordingly;
- assist the Company in implementing the best corporate governance practices.

Separate meetings:

The Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of Non-Independent Directors and Members of Management.

All the Independent Directors of the Company shall strive to be present at such meeting;

The meeting shall:

- review the performance of Non-Independent Directors and the Board as a whole;
- review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- assess the quality, quantity and timelines of flow of information between the Company management and the Board that is necessary for the Board Meeting to effectively and reasonably perform their duties.

Role, Responsibilities and Functions:

The Independent Directors shall:

- help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- bring an objective view in the evaluation of the performance of the Board and management;
- scrutinize the performance of the management in meeting agreed goals and objectives and monitor the reporting of performance;
- satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;

- safeguard the interests of all stakeholders, particularly the minority shareholders;
- balance the conflicting interest of the stakeholders;
- determine appropriate levels of remuneration of Executive Directors, Key Managerial Personnel and Senior Management and have a prime role in appointing and where necessary recommend removal of Executive Directors, key managerial personnel and senior management;
- moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

Duties:

The Independent Directors shall:

- undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;
- strive to attend all meetings of the Board of Directors and of the Board Committee(s) of which he is a Member;
- participate constructively and actively in the Committee(s) of the Board in which they are Chairpersons or members;
- strive to attend the General Meetings of the Company;
- where they have concerns about the running of the Company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- keep themselves well informed about the Company and the external environment in which it operates;
- not to unfairly obstruct the functioning of an otherwise proper Board or Committee(s) of the Board;
- pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
- ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct;
- acting within his authority, assist in protecting legitimate interest of the Company, shareholders and its employees;
- not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by the law.

Liabilities:

Section 149(12) of the Act inter-alia states that, notwithstanding anything contained in the Act, an Independent Director shall be held liable, only in respect of such acts of omission or commission by a Company which had occurred with his knowledge, attributable through Board process and with his consent or connivance or where he had not act diligently.

Annexure – III

Code of Conduct

Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons