LETTER OF APPOINTMENT FOR INDEPENDENT DIRECTOR

12th February, 2021

Mr. Anupam Gupta
G-20, Indraprastha Apartment,
Sector-14, Rohini, Delhi-110085

Dear Mr. Anupam Gupta,

As you are aware, the Board of Directors of the Company in its meeting held on 12th February, 2021 has appointed you as the Additional Non- Executive Independent Director of the Company with immediate effect. Your appointment shall be for a period of 5 (five) years with effect from 12th February, 2021. Your appointment as an Independent Director shall be subject to the approval of the Members of the Company in ensuing Annual General Meeting. This letter of appointment sets out the terms and conditions covering your appointment, which is mentioned hereunder:

1. Appointment

1.1 You have been appointed as Additional Non-Executive Independent Director on the Board of the Company for a term of 5 (five) Consecutive years with effect from 12th February, 2021. Your appointment is subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

1.3 The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Act and the Listing Regulations. Accordingly, the Independent Directors will serve for not more than two terms of 5 (five) years each on Board of the Company and shall not be liable to retire by rotation. The company is at liberty to disengage Independent director before expiry of the term subject to compliance with the relevant provisions of the Companies Act, 2013.

2. Committees

2.1 The Board may appoint you as a Chairperson/Member in various committees. The Board may change the terms of reference of the Committee or may reconstitute the composition of any /all committees, from time to time.
Further, the Board of Directors, may, if it deems fit, invite you for being appointed on one or more existing Board Committees or any such Committee(s) that may be set up in the future.

2.2 Your appointment on such Committee(s) will be subject to the applicable laws rules and regulations.

2.3 You shall serve on the Committee with the same diligence and commitment as a representative of the Board to ensure its working and proper functioning not only in accordance with law, but in keeping with the expectations of the external stakeholders.

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Director and shall automatically come to an end at the cessation of your term or revocation of this offer, whichever is earlier.

3. Time Commitment

3.1 As an Independent Director you are requested to endeavor to bring objectivity and independence of view to the Board's discussions and decision making and also to help the Board in taking effective and informed decisions in relation to the Company's strategy, planning, performance appraisal, risk management, governance, etc. and also in ensuring highest standards of financial integrity and corporate governance.

3.2 The Board meets at least four times in a year. The Committee Meetings shall be held at such intervals as may be required. You are requested to attend Meetings of the Board and Committees on which you may be appointed as a Chairperson/Member.

3.3 By accepting this appointment, you confirm that you would be able to allocate sufficient time as is prudent and necessary for the proper performance of the role, duties and responsibilities as an ID.

4. Role and Duties

4.1 Your role and duties will be those normally required of a Non-Executive Independent Director under the Act (together with schedules thereto and rules made thereunder) and the Listing Regulations. There are certain duties prescribed for all Directors under the Companies Act, 2013, 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 and shall exercise independent judgement.
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.
v. You shall not receive or attempt to achieve any undue gain or advantage either to yourself or to you relatives, partners or associates.
vi. You shall not assign your office as Director and any assignments so made shall be void.

In addition to the above requirements applicable to all Directors, the Non-Executive Independent Directors shall have roles and duties as set out in Schedule IV of the Act, including, in particular, the following roles and duties:

Strategy: Non-Executive Independent Directors should help develop proposals on strategy;

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

Risk: Non-Executive Independent Directors should satisfy themselves on the integrity of

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financial information and that financial controls and systems of risk management are robust and defensible;

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

Compliance: Non-Executive Independent Directors should keep governance and compliance with the applicable legislation and regulations under review and conformity of the Company's practices with accepted norms.

4.2 We also invite your attention to the Code of Business Conduct and Ethics adopted by the Company. All Directors and Senior Management are expected to follow the said policy.

5. Status of Appointment

You will not be an employee of the Company and this letter shall not constitute a contract of employment. Your remuneration as sitting fee will be decided by Board and its Committees.

6. Reimbursement of Expenses

In addition to the remuneration described in paragraph 5, the Company will, during the period of your appointment, reimburse you for travel, hotel and other incidental expenses reasonably incurred by you in the performance of your role and duties.

7. Independent Professional Advice

There may be occasions when you may 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 all professional fees reasonably and properly incurred by you for such advice.

8. Code of Conduct

As an Independent Director of the Company, you agree to abide by the Code for Independent Directors.

9. Conflict of interest

9.1 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 your directorships, appointments and interests to the Board in writing in the prescribed form and also keep the information updated as and when required.

9.2 In the event that, in your judgment, circumstances seem to have changed and might give rise to a conflict of interest for you or, wherever applicable, circumstances that might lead the Board to revise its judgment that you are independent, the same should be disclosed to the Board immediately. During your appointment you should not get involved (whether directly or indirectly) in any Company which might reasonably be considered to compete or

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have a significant relationship with the said Company without the prior written approval of the Board.

10. Evaluation

10.1 The Company will carry out an evaluation of the performance of the board as a whole, Board Committees and Directors on an annual basis.

10.2 The criteria for evaluation shall be determined by the Nomination and Remuneration Committee. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board/Committee. If, in the interim, there are any matters which cause you concern about your role you should discuss them with the Chairperson as soon as is appropriate.

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. Co-operation

In the event of any claim or litigation against the Company, based upon any alleged conduct, act or omission on your part during your term, you agree to render all reasonable assistance and cooperation to the Company and provide such assistance and documents as are necessary and reasonably requested by the Company or any regulatory /statutory authority.

13. Confidentiality

13.1 All information acquired during your appointment is confidential to the Company and should not be released, either during your appointment or following termination (by whatever means), to third parties without prior clearance from the Chairperson.

13.2 Your attention is also drawn to the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and other applicable regulations and Company's Code of Conduct for dealing in shares of the Company which concern the disclosure of price sensitive information. Consequently you should avoid making any statements that might risk a breach of these requirements without prior clearance from the Chairperson or Company Secretary.

14. Resignation /Termination

14.1 Your directorship on the Board shall terminate or cease in accordance with the applicable provisions of the Act.

14.2 You may resign from your position by giving a notice in writing to the Company stating the reasons for resignation. The resignations shall take effect from the date on which the notice is received by the Company or the date, if any specified by you in the notice, whichever is

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later.

14.3 If at any stage during the term, there is a change that may affect your status as an Independent Director as envisaged in Section 149 (6) of the Act you agree to promptly submit your resignation to the Company with effect from the date of such change.

15. 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 Delhi Courts.

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 in the growth of our Company. If these terms of appointment are acceptable to you, please confirm your acceptance by signing and returning the enclosed copy of this letter.

In line with the provision of clause IV sub clause 6 of Schedule IV of the Companies Act, 2013, the terms and conditions of your appointment as Independent director shall be available to public and also be placed on the website of the Company.

We thank you for your continued support and commitment to the Company.

Yours Sincerely,

For and on Behalf of
Servotech Power Systems Limited

SERVOTECH POWER SYSTEMS LIMITED

Nimesh Malhotra
Whole-time Director