



# **RTS Power Corporation Limited**

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CIN : L17232WB1947PLC016105, Website : www.rtspower.com

Date: 1<sup>st</sup> October, 2019

Shri Sardul Singh Jain  
Flat No G 8,  
3 Middleton Row  
8<sup>th</sup> Floor,  
**Kolkata-700071**

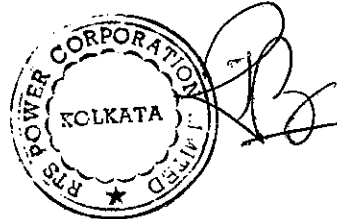
## **Subject: Letter of Appointment**

Dear Shri Jain,

We are pleased to inform you that the Shareholders of the Company, at the recently concluded Annual General Meeting of the Company held on September 30, 2019, have approved your appointment as an Independent Director for the second term. We are sure that the Company would continue to be enriched with your valuable guidance and suggestions in the course of your continued association with us as an Independent Director.

As required under the Companies Act, 2013 we are issuing this appointment letter to you covering the terms of your appointment, which are as under:

1. The appointment has been made for a second term of five consecutive years from the conclusion of the Company's 71<sup>st</sup> Annual General Meeting (AGM) held on 30<sup>th</sup> September, 2019 to the Company's 76<sup>th</sup> AGM to be held in the year 2024.
2. You will devote sufficient time to the affairs of the Company while functioning as an Independent Director as would be required to help the Company to achieve its objectives.
3. As per the legal provisions, you will discharge your duties as per the provisions of the Companies Act, 2013 read out with Rules made thereunder, Code of Conduct of Independent Directors as per Schedule IV of the Companies Act, 2013, SEBI Listing Regulations, Articles of Association and other statutes as may be applicable from time to time.



4. The Company has adopted Code of Conduct of the Company for its Directors and Senior Management Personnel which is applicable to Independent Directors also—a copy of which is enclosed. The code for Independent Directors as per Schedule IV of the Companies Act, 2013 is also enclosed and Independent Directors are expected to abide by the same.
5. As an Independent Director you will be expected not to:
  - (a) involve 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.
  - (b) achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives ,partners or associates and if you are found guilty of making any undue gain , you will be liable to pay an amount equal to the gain to the Company
  - (c) Assign your office and any assignment so made shall be void.
6. As per the provisions of the Companies Act, 2013 your performance as an Independent Director will be reviewed by the entire Board on annual basis.
7. The Company shall organize familiarization programs for Independent Directors from time to time as per the Listing Regulations.
8. Your attention is drawn to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015 and its subsequent amendments in respect of disclosure of price sensitive information. Consequently you should not make any statement and /or enter into any transaction that might risk a breach of these requirements.

Kindly confirm your agreement to the above by signing and returning the enclosed duplicate copy of this letter.

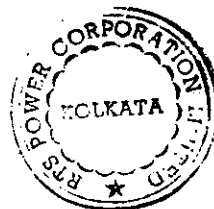
Thanking you

Yours faithfully

For RTS Power Corporation Limited



**Rajendra Bhutoria**  
Whole-time Director  
DIN 00013637



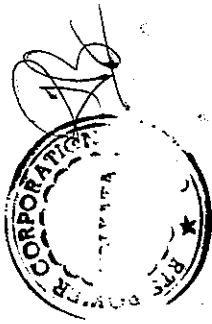
**CODE FOR INDEPENDENT DIRECTORS**  
**AS PER SCHEDULE IV**  
**Section 149(8) of the Companies Act, 2013**

The code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

**I. GUIDELINES OF PROFESSIONAL CONDUCT**

An Independent Director shall:

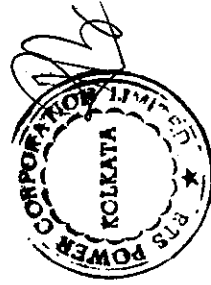
1. uphold ethical standards of integrity and probity;
2. act objectively and constructively while exercising his duties;
3. exercise his responsibilities in a bona fide manner in the interest of the company;
4. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
5. 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;
6. 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;
7. refrain from any action that would lead to loss of his independence;
8. where circumstances arise which make an Independent Director lose his independence, the Independent Director must immediately inform the Board accordingly;
9. assist the company in implementing the best corporate governance practices.



## II. ROLE AND FUNCTIONS

The Independent Directors shall:

1. 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;
2. bring an objective view in the evaluation of the performance of board and management;
3. scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
4. satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
5. safeguard the interests of all stakeholders, particularly the minority shareholders;
6. balance the conflicting interest of the stakeholders;
7. 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;
8. moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest. <sup>v</sup>



### III. DUTIES

The Independent Directors shall—

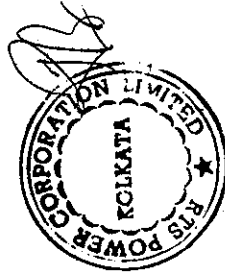
1. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
2. seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
3. strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
4. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
5. strive to attend the general meetings of the company;
6. 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;
7. keep themselves well informed about the company and the external environment in which it operates;
8. not to unfairly obstruct the functioning of any otherwise proper Board or committee of the Board;
9. 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;
10. 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;



11. report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
12. acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
13. 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 law.

#### IV. MANNER OF APPOINTMENT

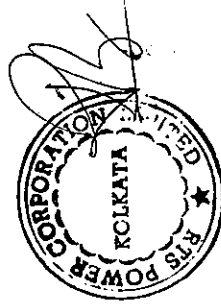
1. Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
2. The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
3. The explanatory statement attached to the notice of the meeting for approving the appointment of Independent Director shall include a statement that in the opinion of the Board, the Independent Director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.



4. The appointment of independent directors shall be formalised through a letter of appointment, which shall set out:
- (a) the term of appointment;
  - (b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
  - (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
  - (d) provision for Directors and Officers (D and O) insurance, if any;
  - (e) the Code of Business Ethics that the company expects its directors and employees to follow;
  - (f) the list of actions that a director should not do while functioning as such in the company; and
  - (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
5. The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
6. The terms and conditions of appointment of independent directors shall also be posted on the company's website.

#### V. RE-APPOINTMENT

The re-appointment of Independent Director shall be on the basis of report of performance evaluation.



## VI. RESIGNATION AND REMOVAL

1. The resignation or removal of an Independent Director shall be in the same manner as is provided in sections 168 and 169 of the Act.
2. An Independent Director who resigns or is removed from the Board of the company shall be replaced by a new Independent Director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
3. Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new Independent Director shall not apply.

## VII. SEPARATE MEETINGS

1. 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;
2. All the independent directors of the company shall strive to be present at such meeting;
3. The meeting shall:
  - (a) review the performance of non-independent directors and the Board as a whole;
  - (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
  - (c) assess the quality, quantity and timeliness of flow of information<sup>4</sup> between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

## VIII. EVALUATION MECHANISM

1. The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
2. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director

