

28th October, 2014

To,
Shri/ Smt. _____
Independent Director

Subject: Your Appointment as an Independent Director of IMP Powers Ltd.

Ref: Companies Act, 2013, the Rules made thereunder and Clause 49 of Listing Agreement on Corporate Governance

Dear Sir/ Madam,

We are pleased to inform you that the Members of the Company at their 52nd Annual General Meeting (AGM) held on 30th September, 2014, have approved your appointment as an Independent Director of the Company for a period of 5 consecutive years with effect from the said date, in terms of the provisions of Section 149 of the Companies Act, 2013 and the Rules made thereunder.

Your appointment as an Independent Director of the Company is formalized through this Letter of Appointment setting out the terms and conditions of appointment including remuneration, in terms of Clause IV (4) of Schedule IV to the Companies Act, 2013, as provided hereinbelow:

Term of Appointment:

Your appointment will be for a period of 5 (five) consecutive years w.e.f 30th September, 2014.

Your term in any event shall end, either at the expiry of 5 years or the date on which you resign from the office of director, whichever is earlier.

Duties Liabilities and Expectations of the Board:

Duties of the director are laid down under Section 149, Section 166, of the Companies Act, 2013 and Schedule IV of the Act. The extracts of the relevant provisions of the Companies Act, 2013 alongwith the Schedule IV is enclosed for your information as **Annexure A**.

Nomination on the Committees of the Board:

In addition to your role as an Independent Director, the Board may nominate you as the Chairman/Member of the Board Committees. Details of your present Committee positions are enclosed as **Annexure-B**.

Remuneration:

As an independent director of the Company, your remuneration will comprise of the sitting fees for attending the Meetings of the Board and its Committees, reimbursement of all reasonable out-of-pocket expenses incurred for participation in the said Meetings.

The remuneration payable to non-executive directors including independent directors will be reviewed periodically by the Board and is subject to the approval of the shareholders, if required.

Code of Business Ethics:

The Company has framed a Code of Conduct for Directors and Senior Management of IMP Powers Ltd. ("the Code"). It is important that all the Board members, abide by the Code of Conduct and affirm compliance with it annually. A copy of the Code adopted by the Company is enclosed as **Annexure-C**.

Directors and Officers Liability Insurance:

The Company has a directors' and officers' liability insurance in place and it is intended to maintain such cover for the full term of your appointment.

On behalf of the Company and the Board, we look forward to your valued contribution to the Board deliberations and successful direction of the Company's activities.

In line with the provisions of the Companies Act, 2013, and Clause 49 of the Listing Agreement, the Company may make public a generic copy of the letter on its website and the same shall be open for inspection at the registered office of the Company by any member during normal business hours.

Please confirm your acceptance by signing and returning to the enclosed copy of this letter.

Yours sincerely,
FOR IMP POWERS LTD.

Sd/-
RAMNIWAS R DHOOT
CHAIRMAN

I confirm and agree to the terms of my appointment as an independent director as set out in this letter.

Signature:
Name of Independent Director:

Annexure-A

A. DUTIES OF INDEPENDENT DIRECTORS (PURSUANT TO SECTION 149, SECTION 166 AND SCHEDULE IV OF THE COMPANIES ACT, 2013)

I. General duties of Directors pursuant to Section 166 of the Companies Act, 2013:

- (1) Subject to the provisions of the Companies Act, 2013, a director of a company shall act in accordance with the articles of the company.
- (2) A director of a company 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 interests of the company, its employees, the shareholders, the community and for the protection of environment.
- (3) A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (4) A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- (5) A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
- (6) A director of a company shall not assign his office and any assignment so made shall be void.

II. 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.

III. 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) scrutinize 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.

IV. 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 an 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.

V. 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 between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

B. Liabilities

Though the Board as a whole is collectively responsible for promoting the success of the Company by directing and supervising its affairs in a responsible and effective manner, in your capacity as an independent director you will be liable in respect of such acts of omission or commission by a company which had occurred with your knowledge, attributable through Board processes, and with your consent or connivance, or where you have not acted diligently.

C. Expectations of the Board

As a director you will be expected to devote such time as is necessary for the proper performance of your duties. This includes preparation for and attendance at:

- scheduled Board and committee (where you are a member) meetings.
- the AGM.
- meetings of the Independent Directors.
- meetings, if any, as part of the Board evaluation process.
- additional Board, committee or shareholder meetings convened as when deemed necessary.

Annexure-B

You are the Chairman/ Member of the following Board Committees:

Sr. No.	Type of the Committee	Chairman/ Member
1.	Audit Committee	Chairman/ Member
2.	Nomination and Remuneration Committee	Chairman/ Member
3.	Stakeholders Relationship Committee	Chairman/ Member
4.	Corporate Social Responsibility Committee	Chairman/ Member
5.	Executive Committee	Chairman/ Member

(To be modified as applicable to each Director)

The terms of reference of the Committees of the Board are attached herewith for reference.

Annexure-C

IMP POWERS LTD.

CODE OF CONDUCT FOR DIRECTORS & SENIOR MANAGEMENT PERSONNEL

The Code of Conduct of IMP Powers Ltd. originally adopted on 23rd January, 2006 and posted on the Company's website, be replaced by the Revised Code of Conduct of IMP Powers Ltd. (hereinafter referred to as "the Code") for the Board of Directors and the Senior Management Personnel incorporating the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement (as amended from time to time) for the Equities listed with Stock Exchanges.

INTRODUCTION

In order to conduct the business of the Company with the highest standard of ethics and values, each and every Director/Senior Management Personnel of the Company (as defined herein below) shall be duty-bound to follow the provisions of this Code as mentioned below. This Code shall come into force with immediate effect.

1. APPLICABILITY:

This Code of Conduct applies to the following:

- a) All Members of the Board of Directors of the Company; (hereinafter referred to as the "Directors")
- b) All the Senior Management Personnel's (the Chief Executive Officer; Company Secretary; Chief Financial Officer and all the Departmental/Functional heads of different functions of the Company.

2. PURPOSE:

The purpose of this Code of Conduct (hereinafter referred to as "Code") is to conduct the business of the Company in accordance with the applicable laws, rules, and regulations and with the highest standard of ethics and values.

3. HONEST AND ETHICAL CONDUCT:

All the Directors/Senior Management Personnel to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct, while working at the Company's premises, at offsite locations, at Company's sponsored business and social events, and/or at any other place where they represent the Company.

They 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 interests of the company, its employees, the shareholders, the community and for the protection of environment.

They shall exercise their duties with due and reasonable care, skill and diligence and shall exercise independent judgment.

4. CONFLICTS OF INTEREST

All the Board Members & Senior Management shall ensure that they will not engage themselves in any business, relationship or activity, which might detrimentally conflict with the interest of his company or the Group. They shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.

5. CORPORATE OPPORTUNITY

Directors and the Senior Management Personnel shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if they are found guilty of making any undue gain, then they shall be liable to pay an amount equal to that gain to the company.

No Directors or the Senior Management Personnel shall:

- (a) compete with the Company; or
- (b) take for themselves personally any business opportunities that belong to the Company or are discovered through the use of corporate property, information or position; or
- (c) use corporate property, information or position for personal gain.

6. FAIR DEALINGS:

Directors and the Senior Management Personnel's should endeavour to deal fairly with the Company's customers, suppliers, competitors, officers and employees. No Director or the Senior Management Personnel's shall take unfair advantage of the Company's customers, suppliers, competitors or employees through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

7. CONFIDENTIALITY:

All Directors and the Senior Management Personnel's must maintain the confidentiality of confidential information entrusted to them or disclosed or acquired by them in carrying out their duties and responsibilities, except where such disclosure is authorised by the Company or is required by laws, regulations or legal proceedings.

The term "confidential information" includes, but is not limited to, non-public information that might be of use to competitors of the Company or harmful to the Company or its customers, if disclosed. Whenever feasible, they should consult the Chairman or the Vice-Chairman or the Managing Director of the Board or the Chief Financial Officer or the Compliance Officer of the Company, if they believe they have a legal obligation to disclose confidential information.

8. WHOLE TIME AND ATTENTION TO THE EMPLOYMENT:

All the Executive Directors & the Senior Management Employees of the Company shall devote their full time and best efforts to promote the Company's business and are strictly not allowed to engage or be interested (whether directly or indirectly) in any other business, employment or vocation for pecuniary gain.

They shall not work for or receive payments for services from any competitor, customer, distributor or supplier of IMP, without prior approval of the Board. Any such outside activity is strictly prohibited. The Executive Directors and the Senior Management personnel shall devote themselves exclusively to the business of the Company and shall not accept any other work or assignment (part-time or otherwise).

9. PUBLIC COMPANY REPORTING:

As a Listed Public Limited Company, it is of critical importance that the Company's filings with the Registrar of Companies (ROC), Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI) and/or the concerned Stock Exchange(s) on which the securities of the Company are or may be listed be full, fair, accurate, timely and understandable. The Directors and the Senior Management Personnel's shall provide information necessary to ensure that the Company's published reports meet these requirements. The Company expects Directors and the Senior Management Personnel's provide prompt and accurate answers to enquiries relating to its public disclosure requirements.

10. COMPLIANCE WITH APPLICABLE LAWS:

In the discharge of their duties and responsibilities, Directors and the Senior Management Personnels must comply with all applicable laws, rules and regulations. These would also include Securities laws, Insider trading laws and the Company's Insider trading compliance policies.

11. ACCOUNTING AND REPORTING:

All the Board Members and Senior Management Personnels of the Company are expected to follow the Company's Accounting Policies.

11. As per the Clause 49 of the Equity Listing Agreement:

Responsibilities of the Board of the Directors of IMP

1. Disclosure of Information

- a. Members of the Board and key executives should be required to disclose to the board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the company.
- b. The Board and top management should conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture for good decision-making.

Key functions of the Board of Directors:

The board should fulfill certain key functions, including:

- a. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments.
- b. Monitoring the effectiveness of the company's governance practices and making changes as needed.
- c. Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning.
- d. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders.
- e. Ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.
- f. Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.
- g. Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.

- h. Overseeing the process of disclosure and communications.
- i. Monitoring and reviewing Board Evaluation framework.

Other responsibilities:

- a. The Board should provide the strategic guidance to the company, ensure effective monitoring of the management and should be accountable to the company and the shareholders.
- b. The Board should set a corporate culture and the values by which executives throughout a group will behave.
- c. Board members should act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company and the shareholders.
- d. The Board should encourage continuing directors training to ensure that the Board members are kept up to date.
- e. Where Board decisions may affect different shareholder groups differently, the Board should treat all shareholders fairly.
- f. The Board should apply high ethical standards. It should take into account the interests of stakeholders.
- g. The Board should be able to exercise objective independent judgement on corporate affairs.
- h. Boards should consider assigning a sufficient number of non-executive Board members capable of exercising independent judgement to tasks where there is a potential for conflict of interest.
- i. The Board should ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the company to excessive risk.
- j. The Board should have ability to 'step back' to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the company's focus.
- k. When committees of the board are established, their mandate, composition and working procedures should be well defined and disclosed by the board.

12. **The Independent Directors are also required to abide by Code of Conduct provided under the Schedule IV to the Companies Act, 2013, which acts as a guide to the Independent Directors in the professional conduct of their duties and responsibilities.**

Duties of independent Director as prescribed under the Schedule IV to the Companies Act, 2013:

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 an 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.

13. AMENDMENT, MODIFICATION AND WAIVER:

This Code may be amended, modified or waived only by the Company's Board of Directors and must be publicly disclosed if required by any applicable law or regulation. As a general policy, the Board will not grant waivers to the Code.

FOR IMP POWERS LTD.

**Sd/-
RAMNIWAS R DHOOT
CHAIRMAN**