

Date:

Mr/Ms _____

Director

Address: _____

Dear Sir/Madam,

Sub: Appointment as Non-Executive Independent Director under the Companies Act, 2013

We are pleased to inform you that the shareholders of the Company at the Annual/Extra Ordinary General Meeting held on the _____, _____ have passed the resolution for your appointment as an Independent Director of the Company, pursuant to the provisions of the Companies Act, 2013. This letter of appointment sets out the terms and conditions covering your appointment which are as follows:

Appointment & Remuneration:

You are appointed as an Independent Director of the Company with effect from _____, _____ upto _____. This tenure is subject to your meeting the criteria for being an Independent Director and not being disqualified to be a Director under the applicable provisions under the Companies Act, 2013 and Rules made thereunder.

You will not be an employee of the Company and this letter shall not constitute a contract of employment.

You will be paid such remuneration by way of sitting fee for attending meetings of the Board and its Committees as may be decided by the Board from time to time. The sitting fee presently paid to Non-Executive Independent Director is as under:

S. No.	Type of Meeting	Amount
1.	Board Meeting	Rs. 50,000/- per meeting
2.	Audit Committee Meeting	Rs. 50,000/- per meeting
3.	Other Board Committees**	Rs. 25,000/- per meeting

**** No sitting fee is payable for Corporate Social Responsibility Committee Meeting(s).**

Malana Power Company Limited

Corporate Office:
Bhilwara Towers, A-12, Sector-1
Noida - 201 301 (NCR-Delhi), India
Tel. : +91-120-4390300 (EPABX)
Fax : +91-120-4277841, 4277842
Website : www.in.bhilwara.com

Site & Regd. Office:
Village Chauki, Post Office Jari
Distt. Kullu - 175 106 (H.P.), India
Tel. : +91-1902-276074, 276075
Fax : +91-1902-276351
Website: www.malanapower.com

Also, you will not be entitled to stock options under Company's Stock Option Plan, if any. Again you will not be entitled to any compensation for loss of office.

In addition to above, you will also be entitled for reimbursement of the travel, hotel and other incidental expenses incurred by you in the performance of your role and duties.

Board Committees:

During the tenure of office, you may be requested to serve on one or more Committees of the Board and the event of acceptance of such request(s) you will be provided with the relevant Committee's terms of reference and specific responsibilities. You are currently nominated on the following Committees of the Board, whose terms of reference have been provided to you:

(To be modified as applicable)

1. Audit Committee
2. Nomination and Remuneration Committee
3. Corporate Social Responsibility Committee

The Board may reconstitute the composition of any/ all Committees from time to time and any such change shall be promptly communicated to you.

Time Commitment:

As a Non-executive Director, you are expected to devote such time as may be necessary to perform your duties as an Independent Director. You are expected to attend the meetings of the Board/Committees of the Board and of the Shareholders and to devote such time to your duties, as be appropriate to discharge your role effectively.

Role and duties:

Your role and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 and the Rules made thereunder from time to time, which shall include inter-alia:

1. To act in accordance with the Company's Articles of Association.

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2. To act in good faith in order to promote the objects of the Company in the best interests of the Company, its employees, the Shareholders and the community.
3. To discharge your duties with due and reasonable care and diligence, skill and diligence and shall exercise independent judgment.
4. Not to involve yourself in a situation in which you have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
5. Not to achieve or attempt to achieve any undue gain or advantage either for yourself or for your relatives, partners or associates.
6. Not to assign your office as Director and such assignment, if occurs, shall be void.

Liability:

The liability that devolves pursuant to your appointment would be as per the applicable laws and Articles of Association of the Company.

Technology:

You may give your consent by advance notification to the Chairman or Company Secretary to participate in any meetings of the Board Committee of Directors, when necessary through video conferencing or other audio visual means, except for matters not to be so dealt with under the provisions of Companies Act. 2013.

Conflict of Interest:

During your tenure, you are required to promptly notify the any change in your Directorships, appointments and interest in any manner whatsoever. In the event that your circumstances seem likely to change and could give rise to a conflict of interest or, when applicable, circumstances that lead the Board to revise its judgment on your independence, you should promptly disclose the same to both the Chairman and the Company Secretary of the Company.

Evaluation Processes:

Your performance evaluation shall be done by the Board of Directors annually, without your participation. You will participate in reviewing the performance of the Board as a whole and the other Directors on annual basis.

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Code of Conduct:

During the appointment you are required to comply with the Code of Conduct for Independent Directors as provided in Schedule IV to the Companies Act, 2013, which is enclosed as Annexure 'A'. You are also requested to give a declaration that you meet the criteria of 'independence' at the first meeting of the Board in every financial year pursuant to the provisions of Section 149(7) of the Companies Act, 2013, in the format enclosed with the said Code of Conduct.

You are also required to abide by the Company's Code of Conduct for Directors and Senior Management (Annexure 'B').

Confidentiality:

All information acquired during your appointment is confidential to the Company and shall not be released, either during your appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman, unless required by law or any regulatory body. On request, you shall surrender any document and other materials made available to you by the Company.

Independent Professional Advice:

There may be occasions when you consider that you need professional advice in furtherance of your duties as a Director and it will be appropriate for you to consult as far as possible jointly with other Independent Directors, should they also choose or otherwise even for your own, independent advisors at the Company's expense. The Company will reimburse the full cost of expenditure reasonable incurred in connection therewith.

Availability of Directors and Officers Liability Insurance:

The Company has Directors' and Officers' liability insurance and it is intended that it will maintain such insurance cover for the full term of your appointment.

Resignation or removal:

The resignation or removal of an Independent Director shall be in the manner as provided under Sections 168 and 169 of the Companies Act, 2013.

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General:

This letter and any non-contractual obligations arising out of or in connection with this letter are governed by, and shall be construed in accordance with, the laws of India, and the parties agree to submit to the exclusive jurisdiction of the courts in India.

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

Thanking you,

Yours sincerely,

for Malana Power Company Limited

Chairman & Managing Director

I have read and agree and confirm the above terms regarding my appointment as an Independent Director of Malana Power Company Limited,

(_____)

Director

DIN: _____

Place:

Date:

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Corporate Identification Number: U40101HP1997PLCC19959

SCHEDULE IV

[See section 149(8)]

CODE FOR INDEPENDENT DIRECTORS

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.

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 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.

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 or 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 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.



CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

Malana Power Company Limited (hereinafter referred to as "MPCL") is committed to maintain sound standards of Business Conduct and Corporate Governance,

The Board of Directors (the "Board") and the senior management of MPCL undertake to abide by following Code of Conduct adopted by the Board and affirm compliance with this Code on an Annual basis by acknowledging the same in the format as provided in the annexure.

The Code is named as "Code of Conduct for The Board of Directors and Senior Management".



CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Introduction

The purpose of this Code of Conduct is to conduct the business of the company with the highest standards of ethics and values. The matters covered under this Code are of utmost importance to the company, shareholders and other stakeholders.

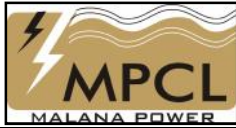
Applicability

This Code of Conduct governs the activities and practices of the Board of Directors and Senior Management of Malana Power Company Limited (MPCL).

This Code of Conduct applies to the following:

- 1) Members of the Board of Directors of the Company; (hereinafter referred to as the “Directors”)

- 2) Senior Management comprises of the following employees of the Company
 - a) Chief Executive Officer;
 - b) Project Head / Head of a Unit Operations
 - c) Head of Finance function (by whatever designation called);
 - d) Head of Human Resource
 - e) Company Secretary;
 - f) All Departmental / Functional heads of different functions of the Company (by whatever designation they are called, hereinafter referred to as “Officers”)



Directors/ Senior Management Employees are expected to adhere to this code of ethics at all times, and are encouraged to work with colleagues, managers and the boards of MPCL to ensure full compliance with the principles outlined herein.

Business Integrity

The MPCL companies insist on honesty, integrity and fairness in all aspects of their businesses and expect the same in their relationships with all those with whom they do business.

Bribery and Corruption

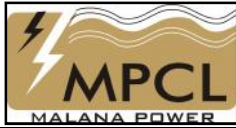
The direct, indirect offer, payment, soliciting or acceptance of bribes in any form is unacceptable.

Conflicts of Interest

The Directors/ Senior Management Employees must avoid conflicts of interest between their private activities and their part in the conduct of company business. They must also declare to their employing company any potential conflicts of interests.

Political Activities

The Company shall not make any payment to Political parties, Organizations or their representatives unless a resolution is passed in the meeting of the Board of Directors of the Company and such payment is permissible under the Indian Law.



Use of Commercially Sensitive Information

The Directors/ Senior Management Employees may not use material, non-public information acquired in the course of work for MPCL for their own financial benefit or that of a spouse, relative or friend.

Compliance

This code is underpinned a training programme, disclosure policy and a set of assurance procedures, that are designed to make sure that The Directors/ Senior Management employees confirm that they act in accordance with them.



CODE OF CONDUCT FOR BOARD MEMBERS

AND

MEMBERS OF THE SENIOR MANAGEMENT

OF

MALANA POWER COMPANY LIMITED

ANNUAL COMPLIANCE REPORT

I, _____, do hereby solemnly affirm that I have, in letter and spirit and to the best of my knowledge and belief, complied with the provisions of CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT during the financial year ended 31st March, _____

Signature : _____

Name : _____

Designation : _____

Address : _____

Dated : _____

Place : _____