

## **PSP PROJECTS LIMITED**

### **TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS**

The terms and conditions of appointment of the Independent Directors of the company are subject to the extant provisions of the Companies Act, 2013 ('the Act'), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Articles of Association of the company (as amended from time to time).

The broad terms and conditions of their appointment as Independent Directors of the company are as under:

#### **I. Appointment**

1. "Independent Director" should be construed as defined under the provisions of Act and Listing Regulations, as amended from time to time.
2. The appointment of Independent Directors on the Board of PSP Projects Limited ('the company') will be for the period mentioned against their respective names ("Term"). The Company may remove Independent Directors prior to completion of the term subject to compliance of relevant provisions of the Act and Articles of Association of the company.
3. In compliance with the provisions of Section 149(13) of the Act, Independent Directors are not liable to retire by rotation.

#### **II. Appointment on the Committees of the Board and Directorship/s on Material Subsidiary Company/ies:**

4. The Independent Directors may be required to serve on one or more Committees of the Board. The Independent Directors will be provided with the relevant Terms of Reference on their appointment to such a Committee. The Independent Directors may also be asked to serve as a Non-Executive Director or Independent Director on the Board of any of the Company's material subsidiaries or joint ventures. Appointments on the Committees and other Directorships would be subject to the applicable regulatory provisions.

#### **III. Time Commitment:**

5. The Independent Directors are expected to bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective leadership in relation to the Company's strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance. The Board generally meets four times in a year. The Audit Committee generally meets atleast four times in a year. Besides, there are other Committee meetings like Nomination and Remuneration Committee, Corporate Social Responsibility Committee, meetings of which are ordinarily convened as per requirements. The Independent Directors will be expected to attend Board and Board Committee meetings to which they may be appointed and Shareholders meetings and to devote

such time to their duties, as appropriate for them to discharge their duties effectively.

6. By accepting the appointment, the independent directors undertake that taking into account all other commitments they may have, they are able to, and will devote sufficient time to their duties as Non-Executive Independent Directors and meet the expectations from their role to the satisfaction of the Board.

#### **IV. Role and Responsibilities:**

7. Their role and duties will be those normally required of a Non-Executive Independent Director under the Act. There are certain duties prescribed for all Directors, both Executive and Non- Executive, which are fiduciary in nature and are as under:
  - i. The Independent Directors shall act in accordance with the Company's Articles of Association as may be amended from time to time.
  - ii. 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 interest of the Company.
  - iii. They shall discharge their duties with due and reasonable care, skill and diligence.
  - iv. They shall not involve themselves in a situation in which they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
  - v. They shall not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners or associates.
  - vi. They shall not assign their office as Director and any assignments so made shall be void.

In addition to the above requirements the Board of Directors also expect them to perform the following functions:

- i. They should constructively challenge and help develop proposals on strategy for growth of the Company.
- ii. They should evaluate the performance of management in meeting agreed goals and objectives.
- iii. They should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are effective and defensible.
- iv. They are responsible for determining appropriate levels of remuneration of Executive Directors and have a prime role in appointing, and where necessary, removing Executive Directors and in succession planning.
- v. They will take responsibility for the processes for accurately reporting on performance and the financial position of the Company.
- vi. They should keep governance and compliance with the applicable legislation and regulations under review and the conformity of Company's practices to accepted norms.

**V. Liabilities:**

8. They shall be held liable, only in respect of such acts of omission or commission by the company which had occurred with their knowledge, attributable through processes of board of directors, and with their consent or connivance or where they had not acted diligently with respect to the provisions contained in the SEBI Regulations.

**VI. Status of Appointment:**

9. They will not be an employee of the Company and this letter shall not constitute a contract of employment. They will be paid such remuneration by way of sitting fees for meetings of the Board as may be decided by the Board.

**VII. Remuneration and Expenses:**

10. They will receive Sitting Fees of Rs. 15000/- for attending the Meetings of the Board of Directors of the Company and / or Committee thereof as may be decided by the Board from time to time;
11. They would also be reimbursed out of pocket and other logistic expenses incurred for attending the meetings or for special duties as may be assigned by the Board;
12. They will have no entitlement to any bonus during the appointment and no entitlement to participate in any employee stock option scheme operated by the Company or any Group Company.

**VIII. Performance Evaluation:**

13. Their performance shall be evaluated by the Board of Directors of the Company annually and continuation of their appointment shall be subject to the outcome of such yearly evaluation process;

**IX. Unpublished Price Sensitive Information and Dealing in the Company's securities:**

14. Their attention is also drawn to the requirements under the applicable regulations and the Company's Insider Trading Code which concern the disclosure of price sensitive information and dealing in the securities of the Company. Consequently, they should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Managing Director or the Company Secretary of the company. They may contact the Managing Director or the Company Secretary for further guidance on applicable provisions in this respect;

**X. Independent Professional Advice:**

15. There may be occasions when they consider that they need professional advice in furtherance of their duties as a Director and it will be appropriate for them to consult independent advisers at the Company's expense. The Company will

reimburse full cost of expenditure incurred in accordance with the Company's policy.

**XI. Vacation and Termination of the Office:**

16. Notwithstanding other provisions of this letter, the appointment may be terminated in accordance with the provisions of the Articles of Association of the Company or on failure to meet the parameters of independence as defined in section 149(6) or on the occurrence of any event as defined in section 167 of the Act;
17. Apart from this they may resign from the directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation;
18. Upon termination or upon their resignation for any reason, duly intimated to the Company, they will not be entitled to any compensation for loss of office;
19. Continuation of their appointment is contingent on them getting re-elected by the shareholders in accordance with provisions of Act and the Articles of Association of the Company, from time to time in force. They will not be entitled to compensation if the shareholders do not re-elect them at any time.

**XII. Conflict of Interest**

20. It is accepted and acknowledged that they may have business interests other than those of the Company. As a condition to their appointment, they are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of their appointment.
21. In the event that their circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgement that they are independent, this should be disclosed to both the Chairman and the Company Secretary.

**XIII. Disclosure of Interest**

22. Any material interest that a Director may have in any transaction or arrangement that the Company has entered into should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record their interest appropriately and the company's records are updated. A general notice that they are interested in any contract with a particular person, firm or company is acceptable. They are required to update these disclosures and notify the Company anytime there is any change in these interests.

**XIV. Code of Conduct**

23. During the appointment they are required to comply with regulations as contained in Schedule IV under Act, including the Code of Conduct.

**XV. Confidentiality:**

24. They acknowledge that all information acquired during their appointment is confidential to the Company and should not be released, communicated, nor disclosed either during their appointment or following termination (by whatever means), to third parties without prior clearance of the Board of Directors unless required by law or by the rules of any stock exchange or regulatory body. On reasonable request, they shall surrender any documents and other materials made available to them by the Company;
25. This restriction shall cease to apply to any confidential information which may (other than by reason of their breach) become available to the public generally.
26. They acknowledge the need to hold and retain Company information (in whatever format they may receive it) under appropriately secure conditions.
27. They will not, except with the prior written consent of the Company, be in any way connected with or interested in any business in competition with that of the Company or its subsidiaries. This does not prevent them from holding equity in other companies;

**XVI. Publication of the terms and conditions of Appointment:**

28. In line with provision of Clause IV sub clause 6 of Schedule IV, under Act, the Company will make public the terms and conditions of their appointment and will also arrange for it to be displayed on the Company's website.

**XVII. General**

29. 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 of Ahmedabad.
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