

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, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the company (as amended from time to time).

Presently, the Independent Directors appointed on the Board of the company are as below:

1. Mr. Chirag Narendra Shah
2. Mr. Vasishtha Pramodbhai Patel
3. Mr. Sandeep Himmatlal Shah

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

1. Terms of Appointment

- 1.1 “Independent Director” should be construed as defined under the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)
- 1.2 The appointment of Independent Directors on the Board of PSP Projects Limited is for a term of five consecutive years commencing from the date of Annual General Meeting in which they were appointed upto August 31, 2020, during which they shall not be liable to retire by rotation.
- 1.3 They shall be eligible for re-appointment for another term upto Five years subject to fulfilment of the criteria as specified under the provisions of the Companies Act, 2013 and listing regulations as amended from time to time, subject to approval of shareholders by way of special resolution.
- 1.4 The Board of Directors may appoint the Independent Director as Member / Chairman of one or more of its Committees.

2. Time Commitment

- 2.1 The Independent Director is 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 and Audit Committee generally meets at least four times in a year. Besides, there are other committee meetings like Nomination and Remuneration Committee, Stakeholder Relationship Committee, Corporate Social Responsibility Committee meetings of which are ordinarily convened as per requirements.

2.2 The Independent Directors are expected to attend Board meetings 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.

2.3 They shall allocate sufficient time to meet the expectations from their role to the satisfaction of the Board.

3. Role and Duties

Their role and duties will be those which are normally required from an Independent Director under the Companies Act, 2013 and the listing regulations.

There are certain duties prescribed for all Directors, both Executive and non- Executive, which are fiduciary in nature and are as under:

- I. They 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 your duties with due and reasonable care, skill and diligence.
- IV. They 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. They shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.

In addition to the above requirements they are expected 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 yourself 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.
- 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.

4. Liability

As an Independent Director, they shall be held liable, in respect of such acts of omission or commission by a company which had occurred with their knowledge, attributable through Board processes, and with their consent or connivance or where they had not acted diligently.

5. Remuneration

5.1 They shall not be the employees of the company and their appointment shall not constitute a contract of employment. They shall be paid such remuneration by way of sitting fees for attending the meetings of the Board as maybe decided by the board from time to time. The sitting fees presently paid to the Non-Executive Independent Directors is ₹ 15000/- per meeting of the Board.

5.2 They shall not be entitled 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.

6. Independent Professional Advice

There may be occasions when they require the need of professional advice in furtherance of their duties as a Director. They are entitled 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.

7. Conflict of Interest:

7.1 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.

7.2 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 Company Secretary.

8. Evaluation

The Board of Directors will carry out an evaluation of the performance of the Board as a whole, Board committees and Directors on an annual basis as per Company's Policy. Their appointment and reappointment on the board shall be subject to the outcome of the yearly evaluation process.

9. Disclosure of Interest

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 your interest appropriately and our records are updated. A general notice that the Independent Directors are interested in any contract with a particular person, firm or company is acceptable.

10. Code of Conduct

The Independent Directors shall abide by the Company's Code of Conduct for the Board of Directors and Senior Management and Code for Independent Directors as outlined in Schedule IV of the Companies Act, 2013.

11. Confidentiality

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

11.2 The attention of the Independent Directors is 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 Chairman or the Company Secretary.

12. Termination

- 12.1 The Independent Director may resign from their position at any time and should they wish to do so, they shall serve a reasonable written notice on the Board.
- 12.2 Continuation of their appointment is contingent on the Independent Director getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013 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.
- 12.3 Notwithstanding other provisions, 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 Companies Act, 2013.
- 12.4 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.

13. General

Any non-contractual obligations arising out of or in connection with the terms and conditions of appointment of the Independent Directors 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.
