

Terms and conditions of appointment of Independent Directors of Power Exchange India Limited

The terms of appointment of Independent Directors are subject to the extant provisions of the Companies Act, 2013 and rules made there under and are as follows:

1) Appointment:

- Subject to shareholder's approval at the General Meeting of the Company, the term of appointment of Independent Directors of the Company is for a period of up to 5 consecutive years from the date of their being appointed or designated as such on the Board of the Company.
- Independent Directors shall be eligible to be re-appointed for a further period of up to 5 consecutive years, after the completion of their first term, subject to Board's approval and after passing of a special resolution by the company.
- Re-appointment shall be considered by the Board based on the outcome of the performance evaluation process and the Independent Directors' continuing to meet the independence criteria.
- No Independent Director shall hold office for more than two consecutive terms, but shall be eligible for appointment after the expiration of three years of ceasing to become an independent director.
- Office of Independent Directors shall not be liable to retire by rotation.
- The appointment of independent directors shall be formalized through a letter of appointment. The Independent Director will not be an employee of the Company and this letter shall not constitute a contract of employment.
- In addition to their role as a Director, the Board may nominate Independent Director as the Chairman / Member of other Board Committees, as it may deem fit from time to time. The Independent Director is expected to carry out his duties/tasks as Member/Chairman of such Committee(s) of the Board as per the terms of reference of such Committee(s).

2) Roles, duties and responsibilities:

- Independent Directors are required to perform such duties as specified under section 166 and other applicable provisions of the Companies Act, 2013 and rules made there under
- They shall abide by the 'Code for Independent Directors' as outlined in Schedule IV referred to in section 149(8) of the Companies Act, 2013
- They will also be responsible for providing guidance in the area of their expertise.
- Independent Directors shall give annual declarations as required under the provisions of section 149(7) of the Companies Act 2013 and the rules made there under.
- Independent Directors shall promptly intimate the Company Secretary of any change in address or other contact and personal details provided to the company.

- The Board may prescribe any other duties and responsibilities as per the provisions of the applicable regulations including CERC (Power Market) Regulations 2010.
- Being an independent director they shall be held liable, only 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.

3) Code of Ethics:

- The Board has put in place a Code of Business Ethics for all the Directors (including Independent Directors) and the same is read, understood and signed by them.

4) Remuneration:

- Independent Directors are paid sitting fees for attending the meetings of the Board and the Committees of which they are member.
- The expenses incurred by them for attending the Board or Committee meetings or any other related work of the Company are also reimbursed.
- They may be paid a profit related commission subject to necessary approvals under the Companies Act 2013 and other applicable laws. However, they are not entitled to any stock option.
- The remuneration payable to Independent Directors shall be subject to limits prescribed under sections 197 and 198 of the Companies Act 2013.

5) Insurance:

- The company has taken a Directors' & Officers' Insurance Policy for all its Directors and Officers and all Independent Directors are covered under that policy.

6) Performance appraisal / Evaluation process:

- The performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated.

7) Disclosures, other directorships and business interests:

- During the term, Independent Directors shall promptly notify the company of any change in their directorships and provide such other disclosures and information as may be required under the applicable laws.
- Independent Directors, upon becoming aware of any potential conflict of interest with their position as an Independent director of the company, shall promptly disclose the same to the Chairman and/or to the Company Secretary.

8) Resignation:

- Independent Directors may resign from the directorship of the company by giving a notice in writing to the company stating the reasons for resignation.
- The resignation shall take effect from the date on which the notice is received by the company or the date, specified in the notice, whichever is later.
- Position of an Independent Director stands terminated in accordance with law, if at any stage during the term, they fail to meet criteria for independence.
- The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Companies Act 2013 and in accordance with the provisions of the Articles of Association of the Company from time to time in force.
- Upon such resignation or termination for any reason, the Independent Director shall not be entitled to any damages for loss of office and no fee will be payable to such director in respect of any unexpired portion of the term of appointment.