

## **PATSPIN INDIA LIMITED**

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

#### **1. Appointment**

An Independent Director (ID) shall hold office for five (5) consecutive years from 19<sup>th</sup> September, 2014 till September, 18, 2019.

Appointment as an ID of the Board of Directors of the company is subject to the provisions of the Companies Act, 2013 and as per the Articles of Association of the company.

In compliance with provisions of Section 149 (13) of the Companies Act, 2013, the Directorship is not subject to retirement by rotation.

#### **2. Board Expectation**

An ID will sustain his independence and continue to fulfill the criteria specified under Section 149(6) of the Companies Act, 2013 for being considered independent during the entire tenure.

An ID will abide by the code for independent Directors, specified in Schedule IV to the Companies Act, 2013.

An ID will promptly file the declarations and/ or confirmation required under the Companies Act, 2013.

#### **3. Committees**

The Board of Directors may, if it deems fit, invite an ID for being appointed on one or more existing committees of the Board or any such committee that is being set up, in future. An ID's appointment on such committee(s) shall be subject to the applicable Rules and Regulations.

#### **4. Roles, functions and duties**

Directors are in essence trustees and have fiduciary duties towards the shareholders. The general obligations and liabilities of a Director are based on common law principles.

An ID's role and duties will be those normally required of an Independent Director under the Act and the Listing Agreement. There are certain duties required for all Directors, both Executive and Non-Executive, which are fiduciary in nature and is more particularly specified under Section 166 of the Act, as under:

- a) An ID shall act in accordance with the company's Articles of Association.
- b) An ID shall act in good faith in order to promote the objects of the company for the benefits of its members as a whole, and in the best

interest of the company, its employees, the shareholders, and the community and also for the protection of environment.

- c) An ID shall discharge your duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- d) An ID shall not involve yourself in a situation in which you may have a direct or indirect interest that conflict, or possibly may conflict, with the interest of the company.
- e) Section 166 of the Companies Act, 2013 has made specific prescription outlining the duties of Directors. Part III of Schedule IV to the Companies Act, 2013 has further listed the duties of an ID.

**5. Insurance Cover**

The company has not taken any Directors and Officers insurance cover.

**6. Code of Conduct**

An ID is required to comply with regulations as contained in Schedule IV under the Companies Act, 2013 and Listing Agreement, including the following codes of conduct of the company.

- i) Code of Conduct for Board of Directors and Senior Management of the company and
- ii) Code for prevention of insider trading and such other requirements as the Board of Directors may specify from time to time.

**7. Remuneration**

An ID is eligible for sitting fees for attending meetings of the Board as well as Committees as may be fixed by the Board from time to time. Presently, the sitting fee for attending the Board is Rs.7500/- and for Committee meetings Rs.5000/-each

An ID will also be eligible for reimbursement of expenses for attending Board or Committee meetings or in relation to other business purposes of the company.

**8. Evaluation and Reappointment**

An ID's performance as an independent director will be reviewed during his tenure with the company in accordance with processes agreed by the Board from time to time. An ID's appointment and reappointment on the Board shall be subject to the outcome of the said review.

**9. Resignation and Removal**

The resignation or removal of an ID shall be in the same manner as is provided in Sections 168 & 169 of the Companies Act, 2013.

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