

ARSS INFRASTRUCTURE PROJECTS LIMITED

Terms and Conditions of appointment of Independent Director

Date [●]

To
Name and address of the Independent Director

Dear [●]

Sub: Appointment on the Board of ARSS Infrastructure Projects Limited as a Non-Executive Independent Director

We are pleased to inform you that Board of the Directors of the Company at their meeting held on [●] have approved your appointment as a Non-Executive Independent Director of the Company. The terms of the appointment are set out below.

1. Appointment:

Your appointment as a Non-Executive Independent Director is effective from [●] for a period of [●] years from the date of appointment by the Board, in accordance with the provisions of Companies Act, 2013 and other applicable provisions;

Your appointment shall not be subject to rotation as per the provisions of sub-section (6) of Section 152 of the Act.

Your appointment as an Independent Director of the Company is based, inter alia, on declaration by you that you comply with the conditions of independence as listed in Section 149(6) of the Act, read with relevant rules. If there is any change in circumstances affecting your independence, you are requested to immediately let the Board of Directors know of the same, in terms of Section 149 (7) of the Act.

Re-appointment of the Independent Director shall be based on recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board of Directors and Shareholders of the Company.

2. Board Committees:

As advised by the Board of Directors and subject to your consent, during the tenure of the office, you may be requested to serve one or more Board Committees or any such Committee that is already functioning or planned for set up in the future. The appointment on such committee(s) will be subject to the applicable provisions.

3. Roles, duties and responsibilities:

The Board as a whole is collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs. All Independent Directors have the same general legal responsibilities to the Company as any other Director consistent with the Act.

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Schedule IV of the Companies Act, 2013, requires the Independent Directors abide to the code of conduct as attached to this letter as **Annexure 1** in addition to the duties of Directors as provided under Section 166 of the Act.

We hereby confirm that: -

- a) you will be allowed full access to all information in or about the Company and its affairs which is available to other executive and non-executive directors;
- b) the senior management and the Board of Directors shall facilitate you to perform your role independently and effectively as a Board member;
- c) agenda for Board / Committee meetings and all relevant papers which require study before meetings will be provided to you in good time (save in exceptional circumstances) to allow you to consider them in advance of meetings

4. Compensation:

As an Independent Director, you will be paid sitting fees for participation in Board and committee meetings for which you are a member. In addition to sitting fees, the Board under the advice of the Nomination and Remuneration Committee may also consider payment of commission on the basis of the performance of the Company.

In addition to the sitting fees, the Company shall either arrange for air travel and accommodation in attending any board meetings of the Company in person or reimburse you for expenses incurred by you for the same. The Company shall reimburse you for all reasonable telecommunication expenses incurred by you for any meeting in which you participate remotely.

The remuneration shall be paid to you after the conclusion of the meetings after deduction of applicable taxes.

5. Conflict of Interest:

It is accepted and acknowledged that the Directors may have business interests other than those of the Company. As a condition of the appointment commencing, every Director is required to declare any such directorships, appointments and interest to the Board in writing in the prescribed form at the time of the appointment.

In the circumstance which seems likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgment on the Independence of Director, the same should be disclosed to both the Chairman of the Board and Company Secretary.

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6. Confidentiality:

All information acquired during the tenure is confidential to the Company and should not be released even after your resignation (by whatever means) to third parties without prior clearance from the Board unless required by the law or by the rules of any regulatory body.

7. Termination:

Directorship on the Board of the Company shall terminate or cease in accordance with the law.

An Independent Director 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 date, if specified by a Director in the notice whichever is later.

8. Governing Law:

The proposed appointment shall be governed by and shall be construed in accordance with, the laws of India and shall be subject to the jurisdiction of courts in Mumbai, India.

9. Acceptance of appointment:

We value your rich experience and we are confident that the Company will benefit immensely from your presence on the Board as an independent director. If the terms relating to your appointment as a Non-Executive Independent Director of the Company are acceptable to you, we would request you to kindly sign a copy of this letter as a token of your acceptance.

Yours Sincerely,

For ARSS Infrastructure Projects Limited

Subash Agarwal
Chairman & Director

I agree to the terms and conditions set out above regarding my appointment as a Non-Executive Independent Director of ARSS infrastructure Projects Limited

Name [●]

Non-Executive Independent Director

DIN: [●]

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Annexure 1

CODE FOR INDEPENDENT DIRECTORS (As per Schedule IV of the Companies Act, 2013)

The Code is a guide to professional conduct for Independent Directors. Adherence to these standards by independent directors and fulfillment 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. Scrutinize 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;

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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 behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
12. Act within their 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.

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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 formalized 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:

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- (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 three months 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 financial 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.
