

Punjab State Power Corporation Limited

Regd. Office: PSEB Head Office, The Mall Patiala-147001.

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Corporate Identity Number: U40109PB2010SGC033813 Website: www.pspcl.in

Shri Pawan Kumar,
House No.1016/3, Top Khana More,
Mohalla Jejjan,
Patiala-147001

Memo No. 797/CS/T&C/ID

Dated 21.02.2019

Sub: **Terms of appointment as an Independent Director of Punjab State Power Corporation Limited.**

Dear Sir,

We extend a hearty welcome to you on your appointment on the Board of Punjab State Power Corporation Limited as Non-Official Part-time Director (Independent Director) with effect from 28.05.2018 in pursuance of Article 47 of the Articles of Association of the Company.

This letter of appointment sets out terms and conditions covering your appointment in accordance with the provisions of the Companies Act, 2013.

1. Appointment:

1.1. Your appointment as Non-Official Part-time (Independent) Director on the Board of PSPCL is for a period of Five years with effect from 28.05.2018 subject to satisfactory performance as per Government of Punjab, Department of Power (Energy Branch) Order dated 28th May 2018.

The term Independent Director should be construed as defined under the Companies Act, 2013 and SEBI Listing Regulations, DPE guidelines on Corporate Governance as amended time to time.

1.2. The Board has also constituted Board Level Committees as required under statutory regulations & guidelines and to facilitate the smooth & efficient flow of decision making process. You may be inducted to serve as Chairperson/Member on any of the said Committees or any of other Committee(s) as may be constituted by the Board of Directors from time to time. Your appointment on such Committee(s) will be subject to applicable law.

2. Functions, Responsibility and Duties

2.1 Your role, functions and duties will be those as are required of an Independent Director under applicable provisions of the Companies Act, 2013 and the rules made there under and the Listing Agreement/SEBI

Listing Regulations as amended from time to time. For your ready reference a copy of Code for Independent Directors issued under Section 149 (8) read with Schedule IV of the Companies Act is enclosed as 'Annexure- A'.

Further in terms of Section 166 of the Companies Act, 2013, you shall:

- i. act in accordance with the Company's Articles of Association.
- ii. 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, its employees, the shareholders, the community and for the protection of environment.
- iii. exercise your duties with due and reasonable care, skill and diligence.
- iv. 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. not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
- vi. not assign you office as Director and any assignments so made shall be void.

3. Remuneration and Reimbursement of Expenses

- 3.1 You will be paid such remuneration by way of sitting fees for attending meetings of the Board and its Committees as may be decided by the Board from time to time in compliance with applicable law.
- 3.2 The sitting fees presently to be paid to the Independent Directors shall be Rs. 20,000 + GST per meeting of the Board and Rs.15000 + GST per meeting of any Committee thereof.
- 3.3 In addition to payment of sitting fee, you will be eligible for boarding, lodging and travelling expenses for attending the Board and Committee meetings at the same rates as are applicable to whole-time Directors of the Company as per the existing provisions applicable to them.

4. Conflict of Interest:

- 4.1 It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition precedent to commencement of your appointment, you have declared to the Company such directorships, appointments and interests to the Board. Thereafter, you are required to declare to the Company whenever there is any change in the circumstances which may affect your status as an independent director.
- 4.2 At the first meeting of the Board in which you participate as an independent directors and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances, which may affect your status as an independent director, you are required to give a declaration that you meet the criteria of independence.

