



PASCHIM GUJARAT VIJ COMPANY LIMITED

Registered & Corporate Office

“Paschim Gujarat Vij Seva Sadan”

Off Nana Mava Main Road, Laxminagar Rajkot - 360 004

CIN U40102GJ2003SGC042908

Web site : www.pgvcl.com

Tele. No: (0281)2380425, 2380427,

Fax:(0281)2380428

Annexure-I

Terms of Appointment of Independent Director

1. Committees:

The Board of Directors (the Board) may, if it deems fit, invite the Independent Director for being appointed on one or more existing Board Committees or any such Committee that is set up in the future. The appointment of Independent Directors on such Committee(s) will be subject to the applicable regulations.

2. Time Commitment:

By accepting this appointment, the Independent Director confirms that he/she is able to allocate sufficient time to meet the expectations from the Independent Directors' role to the satisfaction of the Board.

3. Role and Duties:

The Independent Directors' roles and duties will be those normally required of a Non- Executive Independent Director under Section 166 of the Companies Act, 2013. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:

- 1) A director of a company shall act in accordance with the articles of the company.
- 2) A director of a company 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 interests of the company, its employees, the shareholders, the community and for the protection of environment.
- 3) A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- 4) A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- 5) A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.



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6) A director of a company shall not assign his office and any assignment so made shall be void.

In addition to the above requirements applicable to all Directors, the role of the Non-Executive Director has the following key elements:

Strategy: Non-Executive Directors should constructively challenge and help in improving proposals on strategy;

Performance: Non-Executive Directors should scrutinize the performance of management in meeting agreed goals and objectives;

Risk: Non-Executive Directors should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;

People: Non-Executive Directors are responsible for determining appropriate levels of remuneration of Executive Directors and have a prime role in appointing, and where necessary, removing Executive Directors and in succession planning;

Reporting: Non-Executive Directors take responsibility for the processes for accurately reporting on performance and the financial position of the Company; and

Compliance: Non-Executive Directors should keep governance and compliance with the applicable legislation and regulations under review and the conformity of the Company practices to accepted norms.

4. Status of Appointment:

The Independent Director is not an employee of the Company and this letter of appointment shall not constitute a contract of employment. The Independent Director will be paid such remuneration by way of sitting fees for meetings of the Board, its Committees and other meetings as may be decided by the Board.

5. Reimbursement of Expenses:

In addition to the remuneration described in paragraph 4, the Company will, for the period of the Independent Director appointment, reimburse the Independent Director for travel and hotel expenses incurred by the Independent Director in the performance of his/her roles and duties.



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6. Conflict of Interest:

- 6.1 It is accepted and acknowledged that the Independent Director may have business interests other than those of the Company. The Independent Director is required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of appointment.
- 6.2 In the event that the 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 judgment that the Independent Director is independent, this should be disclosed to both the Chairman and the Secretary.

7. Confidentiality:

All information acquired during the appointment is confidential to PGVCL and should not be released, either during the Independent Director 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, the Independent Director shall surrender any documents and other materials made available to the Independent Director by PGVCL.

8. Evaluation

The Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis. Your appointment and re- appointment on the Board shall be subject to the outcome of the yearly evaluation process.

9. Insurance:

The Company has Directors' and Officers' Liability Insurance and it is intended that the Company will assume and maintain such cover for the full term of the appointment.

10. Independent Professional Advice:

There could be occasions when the Independent Director may need professional advice in furtherance of his/her duties as a Director and it will be appropriate for the Independent Director to consult independent advisers at the Company's expense.



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The Company will reimburse the full cost incurred in accordance with the Company's policy.

11. Disclosure of Interest:

The Company must include in its Annual Accounts a note of any material interest that a Director may have in any transaction or arrangement that the Company has entered into. Such interest should be disclosed not later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record the Independent Directors interest appropriately and our records are updated. A general notice that the Independent Director is interested in any contracts with a particular person, firm or company is acceptable.

12. Termination:

- a. The Independent Director may resign from the position at any time and should the Independent Director wish to do so, the Independent Director is requested to serve a reasonable written notice to the Board.
- b. Continuation of the Independent Director 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.
- c. The Independent Directors appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.