

TECHNOCRATS PLASMA SYSTEMS LIMITED

CODE OF CONDUCT FOR INDEPENDENT DIRECTORS

AS PER SCHEDULE IV OF THE COMPANIES ACT, 2013

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CODE OF CONDUCT 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.

1. Guidelines of professional conduct:

An independent director shall:

- a) uphold ethical standards of integrity and probity;
- b) act objectively and constructively while exercising his duties;
- c) exercise his responsibilities in a bona fide manner in the interest of the company;
- d) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- e) 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;
- f) 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;
- g) refrain from any action that would lead to loss of his independence;
- h) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- i) assist the company in implementing the best corporate governance practices.

2. Role and functions:

The independent directors shall:

- a) 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;
- b) bring an objective view in the evaluation of the performance of board and management;
- c) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- d) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- e) safeguard the interests of all stakeholders, particularly the minority shareholders;
- f) balance the conflicting interest of the stakeholders;
- g) 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;
- h) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.



- e) The appointment of independent directors shall be formalized through a letter of appointment, which shall set out:
- (i) the term of appointment;
 - (ii) 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;
 - (iii) the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - (iv) provision for Directors and Officers (D and O) insurance, if any;
 - (v) the Code of Business Ethics that the company expects its directors and employees to follow;
 - (vi) the list of actions that a director should not do while functioning as such in the company; and
 - (vii) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- f) 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.

5. Re-appointment:

The re-appointment of independent director shall be on the basis of performance evaluation report.

6. Resignation or removal:

- a) 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.
- b) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
- c) 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.

7. Separate meetings:

- a) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
- b) All the independent directors of the company shall strive to be present at such meeting;
- c) The meeting shall:
 - (i) review the performance of non-independent directors and the Board as a whole;
 - (ii) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
 - (iii) 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.

8. Evaluation mechanism:

- a) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- b) On the basis of the performance evaluation report, it shall be determined whether to extend or continue the term of appointment of the independent director.

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