TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

A. PREAMBLE

Section 149 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, prescribe the requirements and criteria for appointment of Independent Directors by certain classes of Companies. The Companies Act, 2013, also requires the Board of Directors of the Company to lay down the terms and conditions for appointment of Independent Directors on the Board of the Company and to post the said terms and conditions on the Company's website. Accordingly, the Board of Directors of ISSPL Limited (formerly known as "*IRClass Systems and Solutions Limited*" and "*IRClass Systems and Solutions Private Limited*") (**the "Company"**), in compliance with the aforementioned provisions and the SEBI Listing Regulation, has approved the following Terms and Conditions of Appointment of Independent Directors (Terms and Conditions)**.**

B. DEFINITIONS

The terms and expressions not defined hereunder shall have the same meaning as defined under the Companies Act, 2013, SEBI Act, 1992 and the SEBI Listing Regulations.

"*Act*"	shall mean the Companies Act, 2013 and any Rules, regulations, circulars, notifications, orders issued thereunder, as may be amended from time to time;
"Applicable Law"	shall mean any law, rules, circulars, guidelines or regulations issued by the Securities and Exchange Board of India ("SEBI") and Ministry of Corporate Affairs ("MCA");
"*Board*"	shall mean the Board of Directors of the Company;
"*Company*"	shall mean ISSPL Limited (formerly known as *"IRClass Systems and Solutions Limited"* and "*IRClass Systems and Solutions Private Limited*");
"Director"	shall mean a Director of the Company and the word "Directors" shall be construed accordingly;
"Independent Directors"	shall have the same meaning ascribed to the term "Independent Director" under the Act and Regulation 16(1)(b) of the SEBI Listing Regulations;
"Key Managerial Personnel"	shall have the same meaning as ascribed to the term under Section 2(51) of the Act and Regulation 2(1)(o) of the SEBI Listing Regulations, as may be amended from time to time;
"Nomination and Remuneration Committee"	shall mean a committee constituted by the Board under Section 178 of the Act;
"SEBI Listing Regulations"	shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

Words and expressions used and not defined in these Terms and Conditions shall have the same meanings respectively assigned to them in the Act and / or the SEBI Listing Regulations.

C. CRITERIA FOR APPOINTMENT AND REMUNERATION

1. Appointment and reappointment:

(a) The appointment process of Independent Directors shall be in compliance with the relevant provisions of the Act and the SEBI Listing Regulations.

(b) An Independent Director may also be appointed as member and/or chairperson, as may be applicable/ required, of committees of the Board of Directors, in compliance with the provisions of the Act and the SEBI Listing Regulations.

2. **Remuneration**

(a) Independent Directors may be paid remuneration by way of sitting fee for attending meetings of the Board and its Committee(s), as may be decided by the Board from time to time.

(b) In addition to above and subject to the prior approval of the Chairperson, the Independent Directors may be reimbursed for expenses incurred for travel, hotel and other incidental expenses incurred in the performance of their role and duties.

(c) Pursuant to Applicable Law, Independent Directors will not be entitled to any stock options.

D. TENURE

1. Independent Directors shall be appointed on the Board of the Company, for a term up to 5 (five) consecutive years and shall not be liable to retire by rotation, as per the provisions of the Act. Independent Directors shall be eligible for reappointment on passing of a special resolution by the Company and such re-appointment being disclosed in the Board's report.

2. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of three years of ceasing to become an Independent Director, if the Independent Director in question, is not during the said period of three years, appointed in or associated with the Company in any other capacity, either directly or indirectly.

E. ROLE, DUTIES AND RESPONSIBILITIES

The role, responsibilities and duties of Independent Directors as required under the Act and the SEBI Listing Regulations, inter-alia include:

1. To devote such time as may be necessary for the proper performance of duties and as an Independent Director.

2. To 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;

3. To bring an objective view in the evaluation of the performance of board, its committees and the management;

4. To act in accordance with the Company's Articles of Association and the Code of conduct for Independent Directors;

5. To discharge their duties with due and reasonable care and diligence, skill and diligence and exercise independent judgment;

6. To participate constructively and actively in the committees of the Board in which they are chairpersons or members;

7. Strive to attend all meetings of the Board of Directors and of the Board committees of which they are members, and the General Meetings of the Company;

8. To undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;

9. To keep themselves well informed about the Company and the external environment in which it operates;

10. Not to unfairly obstruct the functioning of the Board or committee of the Board;

11. Not to 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;

12. Not to achieve or attempt to achieve any undue gain or advantage either for themselves or for their relatives, partners or associates;

13. To act in the interest of the Company and all stakeholders;

F. LIABILITY

An Independent Director will be liable only in respect of such acts of omission or commission by the Company which had occurred with the knowledge of such Independent Director, attributable through Board processes, and with the consent or connivance of the Independent Director or where the Independent Director had not acted diligently.

G. CONFLICT OF INTEREST

By accepting their respective appointments, the Independent Director will be deemed to have confirmed that any other position they hold including their directorships with other organizations, shall not give rise to any conflicts of interest in relation to their appointment as an Independent Director of the Company.

Should the Independent Director become aware of any conflict or potential conflict during their tenure, they are expected to notify the Chairman or the Managing Director, immediately. If circumstances seem likely to change and could give rise to a conflict of interest or, when applicable, circumstances that lead the Board to revise its judgment on the Director's independence, the same should be disclosed to the Chairman of the Board.

H. EVALUATION PROCESS

As members of the Board, the performance of Independent Directors, as well as the performance of the entire Board and its Committees, will be evaluated annually, in accordance with the manner specified by the Nomination and Remuneration Committee of the Board. Evaluation of each Director shall be done by the entire Board, excluding the Director being evaluated.

The extension or continuation of term of appointment of the Independent Director shall be determined on the basis of the report of performance evaluation. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board, its Committees and Individual Directors.

I. CODE OF CONDUCT

Independent Directors shall comply with the Code of Conduct for Independent Directors as laid down under Section 149 (8) read with Schedule IV to the Act and enclosed here as an **Annexure** for ready reference. The Independent Directors shall also comply with the Code of Internal Procedure and Conduct for Prohibition of Insider Trading, adopted by the Company.

The Independent Directors shall also give a declaration that they meet the criteria of independence, as prescribed under the Act and the SEBI Listing Regulations, upon their appointment and thereafter at the first meeting of the Board in every financial year and immediately upon any change in circumstances which may affect their status as an Independent Director.

J. CONFIDENTIALITY

Independent Director must apply the highest standards of confidentiality and shall not disclose to any individual or entity, any confidential information concerning the Company or its subsidiaries, received by them, by virtue of their position as Directors.

K. RESIGNATION OR REMOVAL

The resignation or removal of an Independent Director shall be in the manner as provided under Sections 168 and 169 of the Act.

An Independent Director resigning from his/ her position shall do so by way of a letter of resignation addressed to the Chairperson of the Board, containing detailed reasons behind the resignation. The resigning Independent Director shall, along with the letter of his/ her resignation, also submit the names of listed entities in which the resigning Independent Director holds directorships, indicating the category of directorship and membership of Board committees, if any and a confirmation that there are no material reasons behind the resignation, other than those provided in the letter of resignation, referred above.

L. COMMUNICATION AND DISSEMINATION

For communication and dissemination of the Terms and Conditions of appointment of Independent Directors to all the Directors and Employees of the Company, a copy of these Terms and Conditions shall be posted on the website of the Company.

M. REVIEW AND AMENDMENTS

1. The Board of Directors on its own and / or as per the recommendations of Audit Committee may amend these Terms and Conditions, as and when deemed fit. Any or all provisions of these Terms and Conditions would be subject to revision /amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.

2. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities to the Applicable Laws, not being consistent with the provisions laid down under these Terms and Conditions, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and these Terms and Conditions shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

3. Any amendments to the Act or the SEBI Listing Regulation shall *mutatis mutandis* be deemed to have been incorporated in these Terms and Conditions.

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Date of Approval	May 18, 2026
Effective Date	May 18, 2026
Version	1

Annexure

SCHEDULE IV
CODE FOR INDEPENDENT DIRECTORS
(As per Section 149 (8) of the Companies Act, 2013

The Code is a guide to professional conduct for Independent Directors. Adherence to these standards by Independent Directors and fulfilment 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. scrutinise 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;
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 behaviour, 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.

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 formalised 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:

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.

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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.