

# **TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS OF PRAKASH STEELAGE LIMITED**

## **Preliminary**

The Company has adopted the requirements under the provisions of Companies Act, 2013 (including Rules & Regulations framed there under) (hereinafter referred to as the “Act”) and Listing Agreement with the Stock Exchange(s), as amended, modified or substituted from time to time and as may be applicable with respect to the appointment and tenure of Independent Directors subject to the following:

- a. An Independent Director shall submit a declaration at the beginning of every financial year pursuant to the provisions of Section 149 (7) of the Act, stating that he/she meets with the criteria of Independence during his/her tenure as an Independent Director;
- b. The number of companies in which he/she holds office as a Director or a Chairman or Committee Member will not exceed the limit stipulated under the Act and the Listing Agreement;
- c. He/she will ensure that there is no disqualification pursuant to the provisions of Section 164 of the Act; and
- d. He/she will ensure compliance with other provisions of the Act and the Listing Agreement as applicable to him/her, as an Independent Director.

## **A. Appointment:**

The **initial term** of appointment as an Independent Director on the Board will be effective from [ ], for a term of five consecutive years, till the conclusion of the [ ] Annual General Meeting of the Company to be held in the calendar year [ ], unless vacated or terminated prior to the completion of the term as per the applicable laws.

Appointment for the **second term** as an Independent Director on the Board shall be subject to the recommendation of Nomination and Remuneration Committee of the Board and subject to the approval of the Board of Directors (hereinafter referred to as the “Board”) and of the Shareholders by way of passing special resolution. The re – appointment would be considered by the Board based on evaluation of the performance and further subject to satisfying the requisite criteria of Independence as specified in the Act and the Listing Agreement.

An Independent Director shall not hold office for more than two consecutive terms of five years each.

## **B. Committees**

The Board may, if it deems fit, invite you for being appointed on one or more existing Board Committees or any such Committee that is set up in future. Your appointment on such Committee(s) will be subject to applicable law. The Board may re-constitute the committees from time to time and any such change will be communicated to you.

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### **C. Code of Conduct and Duties and Responsibilities**

As an Independent Director of the Company, he/she shall abide by the 'Code For Independent Directors' as outlined in Schedule IV to Section 149(8) of the Act and duties of Directors as provided in the Act and in Clause 49 of the Listing Agreement.

Further, he/she, as an Independent Director of the Company agree to comply with Code of Conduct for Board of Directors and Senior Management of the Company.

As a Member of the Board along with all other Directors, he/she will be collectively responsible for meeting the objectives of the Board which may include;

1. Requirements under the Companies Act, 2013 ("Act") including Rules & Regulations made there under,
2. "Responsibilities of the Board" as outlined in the Corporate Governance requirements as prescribed by Stock Exchanges under the Listing Agreement,
3. Accountability under the "Director's Responsibility Statement" in the Annual Report.

He/she is particularly requested to provide guidance in their area of expertise.

### **D. Time Commitment**

Considering the nature of the role of a director, it is difficult for a Company to lay down specific parameters on time commitment. He/she agree to devote such time as is prudent and necessary for the proper performance of his/her roles, duties and responsibilities as an Independent Director.

### **E. Performance Evaluation**

The re – appointment or extension of term and remuneration of Independent Director shall be subject to the recommendation of Nomination and Remuneration Committee of the Board based on evaluation of the performance and further subject to satisfying the requisite criteria of Independence as specified in the Act and the Listing Agreement.

### **F. Remuneration**

As an Independent Director, he/she shall be paid sitting fees for attending meetings of the Board and its Committees in which he./she is a member, as may be determined by the Board from time to time.

Further, the Company may pay or reimburse to the Independent Director such expenditure, as may have been incurred by them while performing their role as an Independent Director of the Company. This could include reimbursement of expenditure

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incurred by them for accommodation, travel and any out of pocket expenses for attending Board/ Committee meetings, General Meetings, court convened meetings, meetings with shareholders/creditors/management, site visits, induction and training (organized by the Company for Directors) and in obtaining, subject to the expense being reasonable, professional advice from independent advisors in the furtherance of their duties as Independent Directors.

As an Independent Director, he/she shall not be entitled to any stock options pursuant to Section 149(9) of the Act and such other applicable laws.

**G. Induction & Development**

As an Independent Director, he/she will be entitled to the benefit of a training program to familiarize himself/herself with the business and affairs of the Company, its growth plans, the peculiarities of the industry in which the Company operates its goals and expectations and long term plans and objectives.

**H. Confidentiality**

As an Independent Director, he/she will have access to confidential information, whether or not the information is marked or designated as “confidential” or “proprietary”, relating to the Company and its business including legal, financial, technical, commercial, marketing and business related records, data, documents, reports, etc., client information, intellectual property rights (including trade secrets), (“**Confidential Information**”).

He/she shall use reasonable efforts to keep confidential and to not disclose to any third party, such Confidential Information.

If any Confidential Information is required to be disclosed by him/her in response to any summons or in connection with any litigation, or in order to comply with any applicable law, order, regulation or ruling, then any such disclosure should be, to the extent possible, with the prior consent of the Board.

**I. Change in personal details**

During the term, he/she shall promptly intimate the Company Secretary and the Ministry of Corporate Affairs in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

**J. Termination**

As an Independent Director, he/she may resign from the directorship of the Company by giving notice in writing to the Board stating the reasons for resignation. Further, your appointment may be terminated in accordance with the applicable law. The maximum

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tenure of Independent Director shall be in accordance with the Act and Rules made there under, in this regard, from time to time.

If at any stage during the Term, there is a change that may affect his/her status as an Independent Director as envisaged in Section 149(6) of the Act or, if applicable, he/she fail to meet the criteria for “independence” under the provisions of Clause 49 of the Listing Agreement, he/she agree to promptly submit his/her resignation to the Board with effect from the date of such change.

**K. Liability**

Subject to applicable law, for any breach of your duties you will be liable to consequence prescribed under applicable law and in relation to the Company, you would be liable for such acts of omission or commission by the Company which had occurred with your knowledge, attributable through Board processes, and with your consent or connivance, or where you have not acted diligently.

**L. Miscellaneous**

The appointment of Independent Directors is governed by and will be interpreted in accordance with Indian law and is subject to the provisions of Companies Act, 2013 and Rules made there under, Listing Agreement and any Regulations/Circulars issued, amended, modified or replaced by the statutory bodies including Reserve Bank of India, Securities and Exchange Board of India, Ministry of Corporate Affairs, etc.

***Note: These are the general terms and conditions of appointment of Independent Directors which are subject to modification/amendment, as may be required, from time to time.***