

## DRAFT APPOINTMENT LETTER

Date :

Dear \_\_\_\_\_,

### **Appointment as an Independent Non-Executive Director of Prism Johnson Limited**

We are pleased to inform you that upon the recommendation of the Nomination & Remuneration Committee and further based on your declaration of independence submitted to the Company, the Board of Directors (“the Board”) of Prism Johnson Limited (“the Company”) and the shareholders of the Company, have approved your appointment as an Independent Non-executive Director of the Company (“Independent Director”) under the Companies Act, 2013 and Rules thereunder (‘the Act’), Schedule IV to the Act and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“SEBI LODR”) and all other provisions as applicable, with effect from \_\_\_\_\_. This letter sets out the main terms of your appointment. It is agreed that this is a contract for services and is not a contract of employment.

#### **1. Appointment/Re-appointment**

Your appointment will be for a term of \_\_\_ years commencing from \_\_\_\_\_. You will serve as an Independent Director of the Board and the term ‘Independent Director’ should be construed as defined under the Act, Schedule IV to the Act and the SEBI LODR. Your appointment is also subject to the maximum permissible directorships that one can hold in accordance with the provisions of the Act and the SEBI LODR.

#### **2. Board Committees**

- 2.1. As advised by the Board, during the tenure of office, you may be required to serve on one or more of the Committees of the Board constituted by the Board. Upon your appointment to any one or more Committees, you will be provided with the appropriate Committee charter which sets out the functions of that Committee.
- 2.2. Currently, the Board has nine committees : Audit Committee, Nomination and Remuneration Committee (‘NRC’), Stakeholders Relationship Committee, Securities Allotment and Transfer Committee, Risk Management Committee, Corporate Social Responsibility Committee, Disclosure Committee, Fixed Deposit Committee and Corporate Environment Responsibility Committee. The Chairman of the Board, in consultation with the Committee

Chairman/Chairperson and the Company Secretary, determines the frequency and duration of the Committee Meetings. Recommendations of the Committees are submitted to the Board for approval. The quorum for meetings is as per provisions of the Act and/or the SEBI LODR/as per the terms of reference.

2.3. You have been nominated to serve on the following committees: <<To be inserted as applicable>>

### **3. Role**

The Board as a whole is collectively responsible for the success of the Company. As an Independent Director, you shall help to provide the Board with effective guidance in relation to the Company's strategic aims, ensure that the necessary financial and human resources are in place for the company to meet its objectives and review performance and risk management. You shall apply your professional expertise for informed and balanced decision-making whilst upholding ethical standards of integrity and probity and assist the Company in implementing the best corporate governance practices.

### **4. Time commitment**

The Company anticipates a commitment of sufficient time and attention as necessary in order to perform your duties under the Appointment. This will include attendance at regular and emergency Board Meetings, any Committee Meetings and the General Body Meetings. While the Board and Committee Meetings are ordinarily held in Mumbai, the General Body Meetings are held at Hyderabad.

### **5. Functions, Responsibilities and Duties of Directors**

You will have particular regard to the general functions, duties and responsibilities of directors as set out in the Act, the SEBI LODR, the Memorandum and Articles of Association of the Company and the following Codes and Policies adopted by the Board of Directors, a copy of which have been submitted to you :

#### **a) Code of Conduct for Independent Directors in terms of Section 149(8) and Schedule IV of the Act.**

The Code provided in Schedule IV of the Act 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.

The Code for Independent Directors as enshrined in Schedule IV of the Act and describes guidelines of professional conduct, role and functions, duties, manner of appointment, re-appointment, resignation or removal, separate meetings and evaluation mechanism.

**b) Code of Conduct for Directors**

Independent Directors have the same general legal responsibilities to the Company as that of any other Director. The Board, as a whole, is collectively responsible for ensuring the success of the Company by directing and supervising the Company's affairs.

The Company's standards for business conduct focus the Board and each Director on areas of ethical and legal standards vigorously as financial objectives are pursued and help foster a culture of honesty, integrity and accountability. Consistent with these principles, the Company's Board has adopted this Code of Conduct as a guide to the high ethical and legal standards expected of its members. Each Director must comply with the letter and spirit of this Code.

The overall superintendence and control of the business of the Company is vested in the Board. The Board has reserved for its own decision a number of specific matters, which include, *inter alia* :

- the establishment of the Company's overall strategic direction and strategic plans for its major business units;
- the approval of budgets, financial objectives and policies and significant capital expenditure, the approval of the financial statements and published reports;
- the approval of the establishment and annual review of the effectiveness of the Company's systems of internal control including internal financial control and risk management, and the appointment of key senior executives;
- Compliance of all applicable laws.

The charters of the various Board committees also require certain matters to be approved by the Board including, among other matters, the executive remuneration policy and the appointment of the external auditors. The Board has otherwise delegated responsibility for the day-to-day management of the Company, through the Managing Director and Executive Director & CEOs, to executive management.

As a Non-executive Director of the Company, you will contribute to ensuring that the Board has the mixture of skill and experience which it requires.

## **6. Remuneration**

You shall be entitled to sitting fees for attending the Board Meetings and the Committees meetings as may be decided by the Board from time to time. You will also be entitled to reimbursement of out-of-pocket expenses that may be incurred in traveling to the place of the Board Meetings, Committee Meetings and General Body Meetings of the Company.

You shall be entitled to the remuneration as may be approved by the Board and the shareholders of the Company from time to time pursuant to the provisions of the Act. The total compensation payable to the entire group of Non-executive directors shall not exceed 1% of the net profit of the Company for the year calculated as per the provisions of the Act as may be decided by the Board/NRC from time to time.

On termination of the appointment you shall only be entitled to such fees as may have accrued to the date of termination, together with reimbursement in the normal way of any expenses properly incurred prior to that date.

## **7. Independence and other interests**

Based on the declaration of your independence submitted by you and on an assessment of all relevant and available information, the Nomination & Remuneration Committee and the Board regard you as an Independent Director. By signing this letter, you confirm that you agree to this. If your circumstances change in any way that may affect your status as an Independent Director, you must immediately disclose this to the Board. You agree to provide the Board with all information it may require at any time to confirm your independence.

You have already disclosed to the Board the significant commitments you have outside this role. You must inform the Board of any changes to these commitments. In certain circumstances the agreement of the Board may have to be sought before accepting further commitments which either might give rise to a conflict of interest or a conflict of any of your duties to the Company, or which might impact on the time that you are able to devote to your role at the Company.

It is accepted and acknowledged that you have business interests other than those of the Company and have declared any conflicts that are apparent at present. In the event that you become aware of any further potential or actual conflicts of interest, these should be disclosed to the Board as soon as they become apparent and, again, the agreement of the Board may have to be sought.

It is expected that you will not serve on the Boards of competing companies. Apart from the applicable law and good corporate governance practices, there are no other additional limitations.

## **8. Confidentiality**

You acknowledge that all information acquired during your appointment is confidential to the Company and should not be released, communicated, nor disclosed either during your appointment or following termination (by whatever means), to third parties without prior clearance of the Chairman of the Company, unless required by law or any regulatory body. This restriction shall cease to apply to any confidential information which may (other than by reason of your breach) become available to the public generally.

You acknowledge the need to hold and retain company information (in whatever format you may receive it) under appropriately secure conditions.

Your attention is also drawn to the requirements under the applicable regulations and the Code of Conduct for Prohibition of Insider Trading in Securities of Prism Johnson Limited which concern the disclosure of price sensitive information and dealing in the securities of the Company. Consequently you should avoid making any statements or performing any transactions that might risk a breach of this requirement without prior clearance from the Chairman.

## **9. Review process**

The Nomination and Remuneration Committee shall conduct an annual Board evaluation and a peer evaluation survey to assess the performance of the Board as a whole and that of individual Board members. Your appointment and re-appointment on the Board shall be subject to the satisfactory outcome of the yearly evaluation process. If, in the interim, there are any matters which cause you concern about your role, you should discuss them with the Chairman as soon as is appropriate.

## **10. Training**

On an ongoing basis, and further to the annual evaluation process, we will make arrangements for you to develop and refresh your skills and knowledge in areas which we mutually identify as being likely to be required, or of benefit to you, in carrying out your duties effectively. You should endeavour to make yourself available for any relevant training sessions which may be organised for the Board.

## **11. Insurance**

The Company maintains a Directors and Officers insurance policy (D & O policy) to pay for the personal liability of directors and officers for claims made against them while serving on the Board and/or as an officer of the Company. It is intended

that the Company will assume and maintain such cover for the full term of your appointment.

## **12. Dealing in shares and Code of Conduct**

Directors are prohibited from dealing in the Company's shares during the period when the trading window is closed. Further, directors, being designated officers of the Company for the purpose of insider trading guidelines, are to pre-clear all trades (buy/sell/gift) from the Compliance Officer. You are required to comply with the applicable insider trading laws and regulations. You are also required to comply with the Code of Conduct for Prohibition of Insider Trading in Securities of Prism Johnson Limited, sent to you separately.

## **13. Termination**

The appointment may be terminated at any time by the Company in accordance with the Company's Articles of Association or the Companies Act, 2013 or in case you submit your resignation by written notice. It would be desirable that you give the Chairman reasonable notice of your intention to resign or to not seek re-election where that is possible so that the Company can plan for succession of skills and experience on the Board.

Upon such termination or resignation for any reason, you shall not be entitled to any damages for loss of office and no severance fee will be payable to you in respect of any unexpired portion of the term of the appointment.

## **14. Governing law**

This agreement is governed by and will be interpreted in accordance with Laws of India and your engagement shall be subject to the jurisdiction of Indian courts.

It is a pleasure to have you on board. We are confident that your association, expertise and advice will immensely benefit the Company and the Board.

Best regards,

Yours sincerely,

For and on behalf of  
**Prism Johnson Limited**

Chairman of the Board

I confirm and agree to the terms of my appointment as an Independent Non-executive Director of Prism Johnson Limited as set out in this letter.

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[Signature]

Place :

Date :