



Registered Office: 900 Best Sky Tower, F-5, Netaji Subhash Place, Delhi-110034, New Delhi, India.
Corporate Office & Mfg. Unit – Village Kurali, Indri Road, Karnal – 132001 (Haryana), India.
Contact No- 1800 313 3319, email- info@prabhatagri.com website- www.prabhatagri.com

TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

The Committee has established the following independence review procedures and criteria to evaluate the independence of Directors.

1- PRELIMINARY

Independent Director's appointment is subject to the following terms & conditions:

- During their tenure as an Independent Director, they will have to submit a declaration at the beginning of every Financial Year under Section 149 (7) of the Companies Act, 2013("Act") stating that they meet the criteria of Independence.
- As long as they are Independent Director of the Company, the number of companies in which they hold office as a Director or a chairman or committee member will not exceed the limits stipulated under the Act and the Listing Agreement.
- As long as they are Independent Director of the Company, they will ensure that they do not get disqualified to act as a Director pursuant to the provisions of Section 164 of the Act.
- They will ensure compliance with other provisions of the Act and the listing Agreement as applicable to them as an Independent Director.

2- TERM

Their Appointment will be for a term of 5 years and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

3- COMMITTEES

They will be appointed as chairman and/or member on the following Committees of the Board:

- AUDIT COMMITTEE
- NOMINATION AND REMUNERATION COMMITTEE and other Committees as per applicability on Company.

4- CODE OF CONDUCT AND DUTIES AND RESPONSIBILITIES

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- They will abide by the Code of Conduct and Ethics applicable to Directors as available on the website of the company.
- They will abide by the guidelines of professional conduct, role, function and duties as an Independent Directors provided in Schedule IV of the Companies Act, 2013.
- They will not hold office as a Director or any other office in a competing firm/entity.
- They are expected to stay updated on how best to discharge their roles, responsibilities, and duties and liabilities, as an Independent Director of the Company under applicable law, including keeping abreast of current changes and trends in economic, political, social, financial, legal and corporate governance practices.
- They are expected to:
 - a) Take decisions objectively and solely in the interests of the Company;
 - b) Facilitate Company's adherence to high standards of ethics and corporate behavior
 - c) Guide the Board in monitoring the effectiveness of the Company's governance Practices and to recommend changes, required if any;
 - d) Guide the Board in monitoring and managing potential conflicts of interest of Management, Board Members and Stakeholders, including misuse of corporate asset and abuse in related party transactions
 - e) Guide the Board in ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.

5- PERFORMANCE EVALUATION

The Board of Directors shall take into consideration the following parameters for the purpose of evaluating the performance of Independent directors. The evaluation scale is a simple two points scale i.e. SATISFACTORY OR UNSATISFACTORY.

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Their reappointment or extension of term and their remuneration will be recommended by the Nomination and Remuneration Committee of the Board, pursuant to a performance evaluation carried out by the Board on the basis of following specific issues and questions:

- Attendance and Participation.
- Pro-active and positive approach with regard to Board and Senior Management.
- Maintaining confidentiality.
- Acting in good faith and in the interest of the company as a whole.
- Exercising duties with due diligence and reasonable care.
- Complying with legislations and regulations in letter and spirit.
- Openness to ideas, perspectives and opinions and ability to challenge old practices and throwing up new ideas for discussion.
- Maintaining relationships of mutual trust and respect with Board members.
- Capacity to effectively examine financial and other information on operations of the company and the ability to make positive contribution thereon.
- The evaluation of Independent Directors shall be done by the Board. Based on the above criteria Independent Directors has to be assessed by giving a rating of SATISFACTORY OR UNSATISFACTORY.
- The performance evaluation of each Independent Director shall be carried out by the entire Board of Directors, excluding the Independent Director whose performance is being evaluated, and such Director shall not participate in the discussion or voting relating to his/her own evaluation.

6- REMUNERATION

- Their annual remuneration will be as under:
- Sitting fees for attending each meeting of the Board and its Committees as may be determined by the Board from time to time, and
- Profit related commission, if any, determined by the Board and if approved by members will be payable at the end of each financial year based upon the

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performance of the Company and upon the performance of Independent Directors which will be evaluated by the Board of Directors.

- They will be entitled to reimbursement of expenses incurred by them in connection with attending the Board meetings, Board Committee meetings, general meetings and in relation to the business of the Company towards hotel accommodation, travelling and other out-of-pocket expenses.

Pursuant to applicable law, they will not be entitled to any stock options.

7- CHANGES OF PERSONAL DETAILS

During the term, they shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

MISCELLANEOUS

They 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”).

They 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 them 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.