

Date:

To,

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Dear Sir,

Sub: **LETTER OF APPOINTMENT FOR INDEPENDENT DIRECTOR**

We thank you for your confirmation given to Chandra Prabhu International Limited ("**Company**") stating that you meet the "independence" criteria as envisaged in Section 149(6) of the Companies Act, 2013 ("Act") and the Listing Agreement and consenting to hold office as a director of the Company.

Pursuant to your confirmation, we are pleased to inform you that upon recommendation made by Nomination and Remuneration/Compensation Committee, the shareholders of the Company have at the \_\_\_\_ Annual General Meeting held on \_\_\_\_\_, approved your appointment as an 'Independent Director' of the Company for a period of five consecutive years in terms of provisions of Companies Act, 2013.

This letter sets out the terms of your appointment as an Independent Director. Your relationship with the Company will be that of an office-holder and shall not be construed as contract for employment in the Company.

### **1. Appointment**

1.1 Your appointment will be for an initial term up to 5 (five) years and shall take effect from \_\_\_\_\_, unless terminated earlier or extended, as per the provisions of this letter or applicable laws ("**Term**").

1.2 As an Independent Director you will not be liable to retire by rotation. Your reappointment at the end of the Term shall be based on the recommendation of the Nomination and Remuneration /Compensation Committee and subject to the approval of the Board of Directors ("**Board**") and the Shareholders of the Company.

Your re-appointment would be considered by the Board based on the outcome of the performance evaluation process and you continuing to meet the independence criteria.

1.3 At present you have been appointed as Chairman/ Member of the following Committees:

The mandates of the aforesaid Committees are provided herewith as **Annexure A**.

The Board may reconstitute the composition of any/all Committees, from time to time, and any such change shall be promptly communicated to you. In such an event you may also be required to serve on other Committees of the Board.

1.4 The Board may, if it deems fit, invite you for being appointed on one or more existing Board Committees or any such Committee that may be set up in future. Your appointment on such Committee(s) will be subject to the applicable provisions of the Act, the Listing Agreement and other applicable rules and regulations.

## **2. Role, Duties and Responsibilities**

2.1 As member of the Board you along with the other Directors will be collectively responsible for meeting the objectives of the Board which shall *inter-alia* shall include:

- Complying with the requirements prescribed under the Act,
- Responsibilities of the “Board” as outlined in the Corporate Governance requirements as prescribed by Stock Exchanges under the Listing Agreement,
- Accountability under the Director’s Responsibility Statement,
- Overseeing the maintenance of high standards of Company’s values and ethical conduct of business,
- Overseeing the Company’s contribution to enhancing the quality of life of communities,

2.2 You shall abide by the ‘Code For Independent Directors’ as prescribed under Section 149(8) read with Schedule IV of the Act and also follow the duties of Directors as provided in the Act and the Listing Agreement. The said ‘Code For Independent Directors’ is attached herewith as **Annexure B**.

2.3 You will also be responsible for providing guidance in the area of your expertise.

## **3. 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. You agree to devote such time as is prudent and necessary for the proper performance of your role, duties and responsibilities as an Independent Director.

#### **4. Remuneration**

4.1 As an Independent Director you shall be paid sitting fees for attending the meetings of the Board and the Committees as decided by the Board from time to time.

4.2 The sitting fees presently paid to the Non-Executive Director is ` \_\_\_\_\_ per meeting of the Board and ` \_\_\_\_\_ per meeting of the Committee thereof.

#### **5. Reimbursement of Expenses**

In addition to the remuneration described in paragraph 4, the Company will, during your Term as Independent Director of the Company, reimburse you for travel, hotel and other incidental expenses incurred by you in the performance of your role and duties.

#### **6. Code of Conduct**

You will at all times abide and comply with Company's "Code of Conduct for Directors and Senior Management". For your reference, the said Code of Conduct for Directors and Senior Management" is attached herewith as **Annexure C**.

We would also like to draw your attention to the applicability of both, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Company's Code of Conduct on Prevention of Insider Trading, prohibiting disclosure or use of unpublished price sensitive information, dealing in the securities of Chandra Prabhu International Limited and compliances prescribed there under. Consequently you should avoid making any statements or performing any transactions that might breach these requirements without prior clearance from the Chief Executive Officer or the Secretary of the Company. For your reference, the said Code of Conduct on Prevention of Insider Trading is attached herewith as **Annexure D**.

#### **7. Conflict of Interest**

7.1 It is accepted and acknowledged that you may have business interests other than those of the Company. Consequent to your appointment, you are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment and changes if any to the same from time to time.

7.2 In the event that your circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgment that you are independent, this should be disclosed to both the Chairman and the Secretary.

7.3 By accepting this appointment, you are deemed to have confirmed that, any other position you hold including your directorships in other organizations, will not give rise to any 'conflicts of interest' in relation to your appointment as an Independent Director of the Company. Should you become aware of any conflict or potential conflict during the Term of your appointment, you are expected to notify the same to both the Chairman and the Secretary.

## **8. Confidentiality**

All information relating to Chandra Prabhu International Limited, acquired during your Term shall be confidential and should not be released, either during your appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman unless required by law or by the rules of any stock exchange or regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by Company.

## **9. Induction and Development**

9.1 The Company shall, if required, conduct formal induction program for its Independent Directors which may include any or all of the following:

- Board roles and responsibilities, whilst seeking to build working relationship among the Board members,
- Company's vision, strategic direction, core values, ethics and corporate governance practices,
- Familiarization with financial matters, management team and business operations,
- Meetings with stakeholders, visits to business locations and meetings with senior and middle management, as required from time to time.

9.2 The Company shall, as may be required, support Independent Directors to continually update their skills and knowledge and improve their familiarity with the Company and its business. The Company will fund/arrange for training on all matters which are common to the entire Board.

## **10. Performance Appraisal / Evaluation Process**

As an Independent Director, your performance as well as the performance of the entire Board including the Chairman of the Board and the Committees of the Board, shall be evaluated annually. Evaluation of each Director shall be done by all the other Directors of the Company. The criteria for evaluation of Independent Directors shall be determined by the Nomination and Remuneration /Compensation Committee.

However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board.

An indicative list of factors that may be evaluated as part of this exercise is mentioned hereunder:

- Participation and contribution by a director,
- Commitment (including guidance provided to senior management outside of Board / Committee meetings),
- Effective deployment of knowledge and expertise,
- Effective management of relationship with stakeholders,
- Integrity and maintenance of confidentiality,
- Independence of behavior and judgment, and
- Impact and influence.

## **11. Termination**

11.1 Your Term as an Independent Director of the Company shall terminate or cease in accordance with provisions of the Act and the Articles of Association of the Company, as amended from time to time. You may resign from the directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation. The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by you in the notice, whichever is later.

11.2 If at any stage during the Term, there is a change that may affect your status as an Independent Director as envisaged in Section 149(6) of the Act or, if applicable, you fail to meet the criteria for “independence” under the provisions of the Listing Agreement (as amended from time to time), you agree to promptly submit your resignation as Independent Director to the Company with effect from the date of such change.

11.3 Continuation of your appointment is contingent on your getting re-appointed by the shareholders in accordance with provisions of the Act. You will not be entitled to compensation if the Shareholders of the Company do not approve your reappointment at any time.

## **12. Co-operation**

In the event of any claim or litigation against the Company, based upon any alleged conduct, act or omission on your part during your Term, you agree to render all reasonable assistance and cooperation to the Company and provide such information and documents as are necessary and reasonably requested by the Company or its counsel.

## **13. Miscellaneous**

13.1 This letter represents the entire understanding, and constitutes the whole agreement, in relation to

your appointment and supersedes any previous agreement between yourself and the Company with respect thereto and, without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom.

13.2 No waiver or modification of this letter shall be valid unless made in writing and signed by you and the Company.

13.3 As per Clause 49 of the Listing Agreement, if applicable, this letter along with your detailed profile shall be disclosed on the website of the Company and the relevant stock exchange.

If you are willing to accept the terms of your appointment as a non executive Independent Director of Chandra Prabhu International Limited as set out herein, kindly confirm your acceptance by signing and returning to us the enclosed copy of this letter.

We thank you for your continued support and commitment to the Company.

Yours sincerely

For **Chandra Prabhu International Limited**

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Name:

Designation:

**AGREE AND ACCEPT**

I have read and understood the terms of my appointment as an Independent Director of the Company and I hereby affirm my acceptance to the same.

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Name:

Place:

Date: