

# PRIME SECURITIES LIMITED

## TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

Terms and conditions of appointment of Independent Directors of the Company in accordance with the requirements of Schedule IV to the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

### 1. Appointment and Tenure:

The appointment is effective for a period of five (5) years from the date of appointment, not liable to retire by rotation. Appointment is subject to the approval of Shareholders under the provisions of the Companies Act, 2013 and director continue to comply with the qualification criteria, prescribed under Section 149 of the Companies Act, 2013 and Listing Agreement with the Stock Exchanges and do not suffer disqualification under Section 164 of the Companies Act, 2013.

### 2. Role and Duties:

Role and duties will be those normally required of a Non-Executive & Independent Director under the Companies Act, 2013 and Listing agreement particularly Section 166 and Schedule IV of the Companies Act, 2013, and Clause 49 of the Listing Agreement. Director is required attend the General Meetings of Shareholders like AGMs, as may be required under any statute or Listing Agreement, for which the Company will bear the necessary cost.

As a Non-executive & Independent Director of Prime Securities Limited, the Director is be expected to:

- a) Uphold ethical standards of integrity and probity.
- b) Act objectively and constructively while exercising duties.
- c) Exercise responsibilities in a bona fide manner in the interest of the Company.
- d) Devote sufficient time and attention to professional obligations for informed and balanced decision making.
- e) Not allow any extraneous considerations that will vitiate 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.
- f) Not abuse 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.
- g) Refrain from any action that would lead to loss of independence and present any conflict of interest.
- h) Where circumstances arise, which make lose independence, then it must immediately inform the Board.
- i) Assist the Company in implementing the best corporate governance practices.

### 3. Time Commitment and Committee Memberships:

Independent Director is expected to bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective leadership in relation to the Company's strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance. Also, he / she is expected to attend meetings of Board, Board Committees to which he / she is appointed and of Shareholders and to devote such time to the duties, as appropriate to discharge the duties effectively. It is expected that the Director will allocate sufficient time to meet the expectations from this role to the satisfaction of the Board.

#### **4. Status of Appointment and Remuneration:**

The Independent Director is not an employee of the Company and this letter shall not constitute a contract of employment. He / She will be paid such remuneration by way of Sitting Fees for meetings of the Board and its Committees as may be decided by the Board and be paid remuneration by way of Commission, as may be approved by the Board and Shareholders from time to time. In addition, travel, hotel and other incidental expenses incurred by a Director will be reimbursed by Company.

#### **5. Code of Conduct & other compliances:**

During the appointment, Independent Director will comply with any relevant regulations as may be issued by the Government of India and such other authorized bodies as set up by the Government on its behalf, including the Code for Independent Directors, Code of Conduct and Ethics for Directors and Senior Executives and Insider Trading Code and such other requirements as the Board of Directors may from time to time specify.

At the first meeting of the Board in every Financial Year or whenever there is any change in the circumstances which may affect his status as an independent director, he shall give a declaration to that effect confirming that he meets the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013

#### **6. Induction, Continuous improvement, and Directors' appraisal:**

The Independent Director is expected to participate in an induction program, continuous improvement programmes determined by the Board as being appropriate for Directors, at the expense of the Company and also participate in processes of internal and external review of Director, Board and Committee performance as may be determined to be appropriate by the Board from time to time.

#### **7. Indemnity and Insurance:**

The Company will maintain Directors' and Officers' insurance policy from time to time. Each party agrees to indemnify and keep the other party indemnified for any direct pecuniary losses / damages due to wilful misconduct / non-compliance with applicable laws.

#### **8. Disclosure of Interest:**

The Independent Director shall disclose material interest that in any transaction or arrangement that the Company has entered into. Such interest should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record his / her interest appropriately and his / her records are updated. A general notice that he / she is interested in any contracts with a particular person, firm or Company is acceptable.

#### **9. Independent advice:**

The Independent Director may seek independent professional advice, at the expense of the Company, on any matter arising out of or in connection with the discharge of his / her responsibilities. Copies of this advice must be made available to and for the benefit of all Board members unless the Board otherwise agrees.

**10. Confidentiality:**

All sensitive information obtained by Director is confidential and should not be released, either during appointment period or following termination (by whatever means) to third parties without prior clearance from the Board or as required by law. Also, he / she is expected to comply with Insider Trading Policy of the Company.

**11. Termination:**

The Independent Director may resign from the position by serving reasonable written notice on the Board, giving reasons of resignation. Appointment may also automatically terminate in accordance with the provisions of the Companies Act, 2013 and provisions of Articles of Association of the Company, from time to time in force.

**12. Governing Law:**

The Appointment and the terms hereunder are governed by the laws of India, and subject to jurisdiction of Courts in Mumbai.