

PRIMA INDUSTRIES LTD.



CORPORATE & REGD. OFFICE

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TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

Pursuant to the provisions of Schedule IV to the Companies Act, 2013 and Regulation 46(2)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The broad terms and conditions of the appointment of Independent Directors are as follows:

1. Appointment

The appointment of the Independent Directors, as existing on the date of the 30th Annual General Meeting (AGM) of Prima Industries Limited held on 22nd August 2024, will be for a period of five years, commencing from the respective date of their appointment by the Board, subject to the approval of the Members in the subsequent Annual General Meeting ("Term").

The Company may disengage Independent Directors prior to the completion of their Term, subject to compliance with relevant provisions of the Companies Act, 2013.

Independent Directors will not be liable to retire by rotation. Reappointment at the end of the Term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the Members. The reappointment will be considered based on the outcome of the performance evaluation process and the Independent Director continuing to meet the criteria of independence and also subject to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

2. Role, Duties, and Responsibilities

A. As Members of the Board, Independent Directors, along with other Directors, will be collectively responsible for meeting the objectives of the Board, which include:

- Compliance with requirements under the Companies Act, 2013, as amended or restated for the time being in force.
- Responsibilities of the Board as outlined in the Corporate Governance requirements prescribed by Stock Exchanges under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- Accountability under the Director's Responsibility Statement.



B. Independent Directors shall abide by the duties of Independent Directors as outlined in Schedule IV to Section 149(8)(b) of the Companies Act, 2013, and the duties of directors as provided in the Companies Act, 2013 (including but not limited to Section 166) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

C. Independent Directors will be particularly requested to provide guidance in their area of expertise.

3. Time Commitment

Considering the nature of the role of a Director, it is difficult for a Company to specify exact parameters on time commitment. Independent Directors agree to devote such time as is prudent and necessary for the proper performance of their roles, duties, and responsibilities as Independent Directors.

4. Remuneration

Independent Directors shall be paid sitting fees for attending the meetings of the Board and the Committees, as applicable, of which Independent Directors are members. The sitting fees for attending each meeting of the Board and its Committees will be determined by the Nomination and Remuneration Committee from time to time.

In addition to sitting fees, a commission, as may be determined by the Board, may also be payable to Independent Directors, subject to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In determining the amount of this commission, the Board, supported by the Nomination and Remuneration Committee, may consider the performance of the Company and the performance of the Independent Director, as evaluated by the Board. The commission will also be subject to the approval of the Members at the General Meeting.

Further, the Company may pay or reimburse Independent Directors for any reasonable expenses incurred while performing their role as an Independent Director. This could include reimbursement for accommodation, travel, out-of-pocket expenses for attending Board/Committee meetings, General Meetings, court-convened meetings, meetings with Members/creditors/management, site visits, induction and training (organized by the Company for Directors), and in obtaining professional advice from independent advisors in the furtherance of their duties as Independent Directors.

5. Insurance

The Company does not provide any insurance cover for Independent Directors.

6. Code of Conduct

Independent Directors of the Company shall agree to comply with the Code of Conduct of the Company unless specifically authorized otherwise. Unless specifically authorised by the



Company, they shall not disclose company and business information to constituencies such as the media, the financial community, employees, shareholders, agents, franchisees, dealers, distributors and importers. Their obligation of confidentiality shall survive cessation of their respective directorships with the Company. The provisions of both, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, and the Code of Conduct on Prevention of Insider Trading, prohibiting disclosure or use of unpublished price sensitive information, would be applicable to the Independent Directors. Additionally, they shall not participate in any business activity which might impede the application of their independent judgment in the best interest of the Company. All Directors are required to sign a confirmation of acceptance of the Code of Conduct as adopted by the Board on annual basis.

7. Training and Development

The Company shall conduct familiarization programs for its Independent Directors, which may include any or all of the following:

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

The Company may, as required, support 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 whole Board.

8. Performance Appraisal/Evaluation Process

As a member of the Board, an Independent Director's performance, as well as the performance of the Board and its Committees, will be evaluated annually. The evaluation of each Independent Director will be conducted by all other Directors. The criteria for evaluation shall be disclosed in the Company's Annual Report. However, the evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board/Committee.

9. Disclosures, Other Directorships, and Business Interests

During the Term, Independent Directors agree to promptly notify the Company of any change in their directorships or memberships and provide such other disclosures and information as may be required under the applicable laws. Independent Directors also agree that, upon becoming aware of any potential conflict of interest with their position as an Independent Director of the Company, they shall promptly disclose the same to the Chairman and the Company Secretary.



During their Term, Independent Directors agree to promptly provide a declaration under Section 149(7) of the Companies Act, 2013, upon any change in circumstances which may affect their status as an Independent Director.

10. Changes of Personal Details

During the Term, Independent Directors shall promptly inform 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.

11. Disengagement

Independent Directors may resign from the directorship of the Company by giving written notice to the Company, stating the reasons for resignation. The resignation will take effect from the date on which the notice is received by the Company, or the date, if any, specified in the notice, whichever is later. Their directorship on the Board of the Company will cease in accordance with law.

The Company may disengage Independent Directors prior to the completion of their Term (subject to compliance with relevant provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) upon:

- Violation of any provision of the Independent Directors' Code of Conduct, as applicable.
- The Director failing to meet the criteria for independence as envisaged in Section 149(6) of the Companies Act, 2013.