

P R HOLDINGS LIMITED

Regd. Office: R - 489, GF - C, New Rajinder Nagar, New Delhi - 110060
Phone: 9910003638 E - mail : prholding1983@gmail.com Website : www.prholding.in
CIN: L27310DL1983PLC314402

TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

Terms of Appointment of Independent Directors of P R Holdings Limited ('the Company')

The Company has issued a letter of appointment to all Independent Directors, setting out terms of the appointment subject to the Companies Act, 2013, SEBI Laws and Articles of Association of the Company.

1. Appointment

The appointment of an Independent Director will be for a maximum term of upto five consecutive years, subject to the approval of the Shareholders/ Members of the Company. The term "Independent Director" should be construed as defined under the Companies Act, 2013 and the Listing Regulations, etc. and accordingly, the Independent Director shall not be liable to retire by rotation.

During the tenure, the Independent Director may be, if it deems fit, requested to serve on one or more Existing Board Committees or any such Committee that may/ will be set up in the future, in addition to Independent Director's existing Committee(s) Position(s) in the Company.

The appointment of Independent Director on such Committee(s) will be subject to the applicable rules & regulations. Copies of the terms of reference for each of those committees will be provided at the appropriate time.

The appointment of Independent Director is subject to the maximum permissible Directorships that he/she can hold as per the provisions of the Companies Act, 2013 and the Listing Regulations.

Re-appointment, if any, at the end of the term shall be subject to the approval of the shareholders/ members of the Company.

2. Status of appointment

Independent Director will not be an employee of the Company and will be entitled to remuneration by way of sitting fees for attending meetings of the Board, or Committee thereof, or any other purpose as may be decided / resolved by the Board. Further, he/she will not be paid any remuneration by way of salary, commission or otherwise.

3. Roles, Duties and Responsibilities of the Independent Director

The Role, Duties and Responsibilities as an Independent Director shall be envisaged in the Companies Act, 2013 read with Schedule - IV - "Code for Independent Directors" and Rules made thereunder and/or as prescribed by SEBI and/or any of the Regulations. He/ She shall also adhere to the roles, duties and responsibilities envisaged under the Listing Regulations.

4. Code of Conduct, Functions and Duties & Other Compliances

During the appointment, the Independent Director would be required/ expected to perform duties, whether statutory or fiduciary in faithful, efficient and diligent manner. He/ She will have all the usual duties of an independent director under Company Law and applicable Listing Agreement(s) with BSE, including the Code for Independent Directors, Insider Trading Code, Company's Code of Conduct and Ethics and such other requirements, etc., as the Board may specify from time to time. In addition to the above requirements, He/ She shall abide by the Code of Independent Director as laid down under Schedule IV if the Companies Act, 2013 and Rules made thereunder and as per the Listing regulations.

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At the first meeting of the Board in every financial year, or whenever there is any change in the circumstances which may affect his/her status as an Independent Director, he/she will give a declaration to confirm that he/she meet the criteria of independence as provided under the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

5. Commitment

During the appointment, 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.

The Audit Committee also meets atleast four times in a year. Besides, there are other Committee meetings, like Nomination and Remuneration Committee, Stakeholders' Relationship Committee. He/ She will be expected to attend Meetings of Board, Board Committees, etc., to which he/ she may be appointed and Shareholders Meetings and to devote such time to the duties, as appropriate for him/ her to discharge the duties effectively.

6. Conflict of Interest

The Board of Directors has an obligation to act in the best interest of the Company. While the Company acknowledges that the Independent Director may have business interests other than those of the Company, Independent Director is requested to inform the Board/Company Secretary, of any apparent situations that present a potential or actual conflict of interest and/or any such directorships, appointments and interests to the Board in writing in the prescribed Form from time to time.

8. Liability

As an Independent Director, He/ She will be liable only in respect of such acts which had occurred with his/ her knowledge, attributable through Board processes, and with consent or connivance or where he/ she had not acted diligently.

9. Confidentiality

As an Independent Director of the Company, All information acquired during tenure of directorship/ appointment, is confidential and should not be disclosed, either during his/ her tenure or following cessation/ 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. In the latter case, he/ she would be required to suitably inform the Chairman of such an Event or disclosure. On reasonable request, he/ she shall surrender any documents and other materials made available to you by the Company.

10. Termination/ Cessation

Independent Director may resign from his/ her position at any time and should he/she wishes to do so, he/ she is requested to serve a reasonable written notice to the Board. Continuation of Appointment is contingent on getting re-elected by the shareholders in accordance with provisions of the Companies Act, 2013 and the rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of the Company, from time to time in force. The appointment of Independent Director may also be terminated in accordance with the provisions of the Articles of Association of the Company.

Encl: Code for Independent Directors

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CODE FOR INDEPENDENT DIRECTORS

(As per Schedule IV of Companies Act 2013)

This Code is a guide to professional conduct for Independent Directors. It is felt that adherence to these standards by Independent Directors and fulfillment of their responsibilities accordingly, will promote confidence of the investment community, the minority shareholders and regulators in the institution of Independent Directors.

I. Guidelines of professional conduct:

An Independent Director shall:

- 1) uphold ethical standards of integrity and probity;
- 2) act objectively and constructively while exercising his/ her duties;
- 3) exercise his/ her responsibilities in a bona fide manner in the interest of the Company;
- 4) devote sufficient time and attention to his/ her professional obligations for informed and balanced decision making;
- 5) not allow any extraneous considerations that will vitiate his/ her exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring or dissenting from the collective judgment of the Board in its decision making;
- 6) not abuse his/ her 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;
- 7) refrain from any action that would lead to loss of his/ her independence;
- 8) where circumstances arise which make an Independent Director lose his/ her independence, the Independent Director must immediately inform the Board accordingly;
- 9) assist the Company in implementing the best corporate governance practices.

II. Role and functions:

The Independent Directors shall:

- 1) help in bringing an independent judgment to bear on the deliberations of the Board, specially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- 2) bring an objective view in the evaluation of the performance of board and management;
- 3) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- 4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- 5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- 6) balance the conflicting interest of all stakeholders;
- 7) determine appropriate levels of remuneration of executive directors and key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive director, key managerial personnel and senior management;
- 8) moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

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III. Duties:

The Independent Directors shall:

- 1) undertake appropriate induction and regularly update their skills, knowledge and familiarity with the Company;
- 2) seek appropriate clarification or amplification of information and where necessary take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;
- 3) strive to attend all meetings of the Board of Directors and Committees of the Board of which he/she is a member;
- 4) participate constructively and actively in the committees of the Board, where nominated;
- 5) strive to attend the annual/special general meetings of the Company;
- 6) ensure that his/her concerns about the running of the Company or a proposed action are addressed by the Board. If not resolved, the concerns be recorded in the minutes of the Board meeting;
- 7) keep themselves well informed about the Company and the external environment in which it operates;
- 8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- 10) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- 11) report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct or ethics policy;
- 12) Act within his/ her authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- 13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

IV. Manner of appointment:

- 1) Appointment process of Independent Directors shall be independent of the Company management. While selecting Independent Directors, the Board shall ensure that there is balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- 2) The appointment of Independent Director(s) of the Company shall be approved by the shareholders.
- 3) The explanatory statement attached to the notice for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder, and that the proposed director is independent of the management.
- 4) The appointment of Independent Directors shall be formalised through a letter of appointment, which shall set out:

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- a) the term of appointment;
 - b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
 - c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - d) provision for Directors and Officers (D and O) insurance, if any;
 - e) the Code of Business Ethics that the Company expects its directors and employees to follow;
 - f) the list of actions that a director should not do while functioning as such in the Company; and
 - g) remuneration, periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- 5) The terms and conditions of appointment of Independent Directors shall be open for inspection at the registered office of the Company during normal business hours.
- 6) The terms and conditions of appointment of Independent Directors shall also be posted on the Company's website.

V. Re-appointment:

The re-appointment of Independent Director shall be based on annual performance evaluation.

VI. Resignation or Removal:

- 1) Resignation or removal of an independent director shall be as provided in sections 168 and 169 of the Companies Act.
- 2) An Independent Director who resigns, or is removed, from the Board shall be replaced by a new Independent Director within such time as prescribed in applicable law.
- 3) Where the Company fulfils the requirement of Independent Directors in its Board without having to fill the vacancy created by such resignation/removal, the requirement of replacement by a new Independent Director shall not apply.

VII. Separate Meetings:

- 1) Independent Directors of the Company shall hold at least one meeting in a financial year, without the attendance of non-independent directors and other members of management;
- 2) All Independent Directors of the Company shall strive to be present at such meeting;
- 3) The meeting shall:
 - a) review the performance of non-independent directors and the Board as a whole;
 - b) review the performance of the Chairperson of the Company after taking into account the views of the executive directors and non-executive directors;
 - c) assess the quality, quantity and timings of the flow of information between the Company management and the Board so that the Board and its members can perform their role effectively.

VIII. Evaluation Mechanism:

- 1) The performance evaluation of Independent Directors shall be done by the entire Board of Directors (excluding the Director being evaluated).
- 2) On the basis of the performance evaluation, the Board will decide whether to extend or continue the term of appointment of the Independent Director.