

DRAFT LETTER OF APPOINTMENT TO AN INDEPENDENT DIRECTOR

Date:.....

Mr./ Mrs.....
(Address)

Respected Sir / Madam,

Sub.: Appointment as an Additional Director (Independent Director) U/Sec.149 and 161 of the Companies Act, 2013

We are pleased to inform that the board of directors of Prajay Engineers Syndicate Limited have appointed you as an additional director of our company under the category of Independent Director as per the provisions of Listing Agreement read with Section 149 and 161 of the Companies Act, 2013 and all other provisions as may be applicable on

Appointment

Your appointment on the board of the company is to hold office from till the conclusion of next Annual General Meeting of the company and is not liable to retire by rotation. Your appointment is subject to approval of the shareholders at the ensuing Annual General Meeting of the Company scheduled to be held in September Your appointment is also subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013 and the Listing Agreement.

The provisions with respect to appointment and tenure of Independent directors as per the Companies Act, 2013 are applicable to the Company. Accordingly, you will serve for not more than two terms of five years each on the Board of the Company.

Meetings of Board & Committees:

The Board of Directors (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 the future. Your appointment on such Committee(s) will be subject to the applicable regulations.

As a Non-Executive Director you are 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. You will be expected to attend Board, Board Committees of which you are member and Shareholders meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively. Ordinarily, all meetings are held in Hyderabad.

By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.

Role and Duties

Your role and duties will be those normally required of a Non-Executive independent Director under the Companies Act, 2013. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:

- I. You shall act in accordance with the Company's Articles of Association.
- II. You shall act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interest of the Company.
- III. You shall discharge your duties with due and reasonable care, skill and diligence.
- IV. You shall not involve yourself in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company in terms of provisions of the Companies Act, 2013, Listing Agreement and other applicable laws.
- V. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
- VI. You shall not assign your office as Director and any assignments so made shall be void.

Duties as an Independent Director:

As an Independent Director, you shall:

- i. Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;

- ii. 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;
- iii. Strive to attend all meetings of the board of directors and of the board committees of which he is a member;
- iv. Participate constructively and actively in the committees of the board in which they are chairpersons or members;
- v. Strive to attend the general meetings of the company;
- vi. Where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the board and to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the board meeting;
- vii. Keep themselves well informed about the company and the external environment in which it operates;
- viii. Not to unfairly obstruct the functioning of an otherwise proper board or committee of the board;
- ix. 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;
- x. 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;
- xi. Report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- xii. Acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- xiii. 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 the law.

Remuneration:

As an independent director you will not be an employee of the Company and this letter shall not constitute a contract of employment. You will be paid such remuneration by way of setting fees for meetings of the Board and its Committees as may be decided by the Board and approved by the Shareholders, if applicable, from time to time.

The company will reimburse you for all expenses, as may be incurred by you for participation in the board and other committee meetings, such as accommodation, travelling expenses etc., reasonably and properly incurred and documented.

Code for Board of Directors and Senior Management Personnel:

As a member of the board of directors, you are required to abide by the provisions of 'Code for Independent Directors' specified in Schedule IV of the Companies Act, 2013, as amended from time to time.

The company has formulated a Code of Conduct & Ethical Policy for Board of Directors' & Senior Management Personnel which will also encompass the Role, Functions and Duties of an Independent Director. A copy of the said code will be provided by the company.

Conflict of Interest

It is accepted and acknowledged that you may have business interests other than those of the Company. You are required to arrange for the disclosure of your interests as a shareholder, director, partner or owner of other companies, body corporate, firms or other entities as required under section 184 of the Companies Act, 2013. Please ensure that the company is kept informed of any changes to your interest from time to time.

You are also requested to submit a declaration on yearly basis confirming that you comply with the criteria of independence as provided under section 149(6) of the companies act, 2013 and whenever there is any change in the circumstances which may affect your status as independent director.

Board's Evaluation process:

The Company has adopted a policy on Board Evaluation. The policy provides for evaluation of the Board, the Committees of the Board and individual Directors, including the Chairman of the Board. As per the Policy, the Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis. Your appointment and re appointment on the Board shall subject to

the outcome of the yearly evaluation process. You may seek the assistance of key managerial personnel of the company, as and when required, for effectively discharging your duties.

Induction Programme:

The company will provide a comprehensive induction programme to provide insights into the company to enable the independent directors to understand its business in depth, to familiarise them with the processes, businesses, and functionalities of the company and to assist them in performing their role as independent directors of the company.

Dealing in shares of the company:

The company has formulated a code of practices, procedure for fair disclosure of unpublished price sensitive information (UPSI) and code of conduct to regulate, monitor and report insider trading. you are required to abide by the provisions of company's- code of conduct for prevention of insider trading in dealing with shares of the company.

Termination

You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice on the Board.

Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013 and the Articles of Association of the Company, from time to time in force. You will not be entitled to compensation if the shareholders do not re-elect you at any time.

Your appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

Confidentiality

All information acquired during your appointment is confidential to PESL and should not be released, either during your appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman / Managing Director 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 PESL.

This letter constitutes the entire terms and conditions of your appointment and no waiver or modification thereof shall be valid unless in writing and signed by both the parties.

Kindly confirm your acceptance of these terms by signing and returning to us the enclosed copy of this letter.

Yours sincerely

For Prajay Engineers Syndicate Limited

D. Vijay Sen Reddy
Chairman & Managing Director

Encl.: As above.

I hereby acknowledge receipt of and accept the terms set out in this letter.

Signed.....

Dated.....