

**PRATAAP SNACKS LIMITED**  
**DRAFT LETTER OF APPOINTMENT FOR INDEPENDENT DIRECTOR**

Ref No. \_\_\_\_\_

Date: \_\_\_\_\_ 2019

To,  
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**Sub.: Appointment as an Independent Director of Prataap Snacks Limited (“Company”)**

Dear Sir/Madam,

The Company is grateful to you for giving your consent for appointment as an Independent Director of the Company. We are sure that the Company would be enriched with your valuable guidance and suggestions in the course of your association with us as an Independent Director. As required under the Companies Act, 2013, we are issuing letter of appointment to you, covering the terms of your appointment.

**APPOINTMENT:**

1. Your appointment as an Independent Director on the Board of Directors of the Company, not liable to retire by rotation, for a term of 5 (five) consecutive years with effect from 1<sup>st</sup> July, 2019 to 30<sup>th</sup> June, 2024, have been approved by the members of the Company by way of ordinary resolution passed through Postal Ballot on \_\_\_\_\_.
2. Your appointment as an Independent Director on the Board of Directors of the Company is subject to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended, from time to time.
3. You shall on a yearly basis declare to the Company that you continue to meet criteria of independence as defined in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**TIME COMMITMENT:**

4. As an Independent Director you are expected to bring objectivity and independence of view to the Board’s discussions and serve 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 are expected to attend meetings of Board and its committees, if any, to which you are a member or may be appointed and shareholders meeting and devote such time as appropriate to discharge your duties effectively.
5. 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:**

6. You will discharge your duties as per the provisions of Companies Act, 2013, read with rules made thereunder, Code of Conduct of Independent Directors as per Schedule IV of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Articles of Association of the Company and other statutes as may be applicable from time to time. There are certain duties prescribed for a director, which are fiduciary in nature and are as under:
  - i. You shall act in accordance with the Company's Articles of Association, as may be amended from time to time.
  - 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.
  - 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.

In addition to the above, the Board of Directors also expect you to perform the following functions:

- i. You should provides thoughtful and constructive feedback to the management.
- ii. You should evaluate the performance of management in meeting agreed goals and objectives.
- iii. You should satisfy yourself on the integrity of financial information and that financial controls and systems of risk management are effective and defensible.
- iv. You should keep governance and compliance with the applicable legislation and regulations under review and the conformity of Company's practices to accepted norms.

## **INSURANCE**

7. The Company will maintain Director and Officer (D and O) Liability Insurance policy during your aforesaid term of appointment.

## **STATUS OF APPOINTMENT AND REMUNERATION:**

8. You will not be an employee of the Company and this letter shall not constitute a contract of employment.
9. You will be paid such remuneration by way of sitting fees for attending the meetings of the Board and its committees, as may be decided by the Board, from time to time. Further, you will also be paid remuneration by way of profit related commission as may be approved by the members of the Company, from time to time.

10. During your appointment, you will not be entitled to participate in any employee stock option scheme of the Company or any group company.

#### **REIMBURSEMENT OF EXPENSES**

11. In addition to the remuneration mentioned above, the Company will, for the period of your appointment, reimburse you for travel, hotel and other incidental expenses incurred by you in connection with attending the meetings of the Board and its committees and performing your role and duties.

#### **INDEPENDENT PROFESSIONAL ADVICE**

12. There may be occasions when you consider that you need professional advice in furtherance of your duties as an independent director and it will be appropriate for you to consult independent advisor/consultant at the Company's expense. The Company will reimburse full cost of expenditure incurred in accordance with the Company's policy.

#### **EVALUATION**

13. As per the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your performance as an Independent Director will be evaluated/reviewed by the Board on an annual basis.

#### **CODE OF CONDUCT**

14. The Company has adopted Code of Conduct for Board of Directors and Senior Management Personnel which is applicable to Independent Directors also, a copy of which is enclosed. The Code for Independent Directors as per Schedule IV of the Companies Act, 2013 is also enclosed. You are expected to abide by these Codes.

#### **CONFIDENTIALITY**

15. All information acquired by you during your appointment is confidential to the Company and should not be released, either during your appointment or following termination (by whatever means) to third parties without prior clearance from the Company unless required by law for the time being in force or by any statutory or regulatory authority.

#### **MEMBERSHIP OF COMMITTEES**

16. The Board of Directors may appoint you as member/chairperson of one or more of its committees and you will devote sufficient time and discharge your duties as a member/chairperson of a committee, as the case may be.

#### **TERMINATION**

17. 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 to the Board.
18. Your appointment may be terminated in accordance with the provisions of the Articles of Association of the Company or on failure to meet the criteria of independence as defined in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015 or on the occurrence of any event as mentioned in Section 167 of the Companies Act, 2013.

19. Your appointment is also contingent on satisfactory annual performance.

**GENERAL**

20. This letter and any non-contractual obligations arising out of or in connection with this letter are governed by and shall be construed in accordance with the laws of India and the parties agree to submit to the exclusive jurisdiction of the courts of Madhya Pradesh.
21. Please confirm your agreement to the above by signing and returning the enclosed duplicate of this letter.

Yours sincerely,

For **PRATAAP SNACKS LIMITED**

**Amit Kumat**

Managing Director & Chief Executive Officer

DIN: 02663687

I have read and agree to the above terms regarding my appointment as an Independent Director of Prataap Snacks Limited.

\_\_\_\_\_  
**Name:**  
Independent Director

Date: \_\_\_\_\_, 2019