LETTER OF APPOINTMENT FOR INDEPENDENT DIRECTOR

(pursuant to the provisions of Section 149 of the Companies Act, 2013 read with schedule IV and the rules made thereunder and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015, as amended from time to time)

Date: _________

Mr. ______
(DIN ___________)
Address______

Dear Sir,

Sub: Appointment as an Independent Director of Prasol Chemicals Limited

We are pleased to inform you that upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors (hereinafter referred as "the Board") has approved your appointment as an Independent Director of the Company ("Independent Director") at its meeting held on ____________ and shareholders has approved your appointment at the Annual/Extraordinary General Meeting held on _________ for a term of 5 (five) consecutive years with effect from ___________.

This letter of appointment sets out the terms and conditions covering your appointment which is as follows:

APPOINTMENT:

a.Your appointment as a Non-Executive Independent Director on the Board of Directors of the Company is subject to the provisions of the Companies Act, 2013 ("the Act") read with clause 49 of the Listing Agreement (including any subsequent amendment thereof).

b. In terms of provisions of Section 149(13) of the Act your directorship is not subject to retirement by rotation.

c. Kindly take note that continuance of independent directorship is subject to fulfilment of certain parameters of independence as defined in Section 149(6) of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

d. Submit a declaration at the beginning of every Financial Year under Section 149 (7) of the Companies Act, 2013 ("Act") stating that you meet the criteria of Independence.

e. You shall not hold office as a Director or act as a Chairman or Committee member in excess of the limit stipulated under the Act and the SEBI (LODR) Regulations, 2015.

f. You will ensure that you do not get disqualified to act as a Director pursuant to the provisions of Section 164 of the Act.

g. You will ensure compliance with other provisions of the Act including the Code of Independent Directors as stipulated under Schedule IV and the SEBI (LODR) Regulations, 2015 as applicable to you as an Independent Director.

BOARD COMMITTEES:

Being a public limited company and as per the provisions of the Companies Act, 2013 and SEBI Regulations, the Company has formed various type of the Committees to approve the subject, which requires to be approved by the members of the Committee. The Board of the Company may, if it deems fit, invite you for being appointed on one or more committee as member or chairman of the Committee or any such Committee that is set up in the future. Your appointment on such Committee(s) will be subject to the applicable regulations.

Currently, the Board has formed following committees which are mandatorily required to be formed under the Act;

1. Audit Committee

2. Nomination & Remuneration Committee

3. Corporate Social Responsibility Committee

4. Stakeholders Relationship Committee

5. Risk Management Committee

The Composition with respect to number of executive director and non-executive director in the committee, the terms of reference, roles and responsibilities of the members of all the above committees have already been defined as per the provisions of the Companies Act, 2013 and SEBI Regulations. Being a member or chairman you shall be intimated in advance to be present in the committee meeting. The chairperson of the Board, in consultation with the Company Secretary and the committee chairperson, determines the frequency and duration of the committee meetings. Normally, the Audit Committee meets four times a year to approve the quarterly financial results and other committees shall meets whenever it is required as per the provisions of the Companies Act,2013 and SEBI (LO&DR) Regulations, 2015 as amended from time to time. All the recommendations of the committees shall be placed before the Board for their approval. The quorum for meetings is either two members of the committee or one-third of the members of the committee, whichever is higher. The presence of Directors through audio-visual means shall be considered for the purpose of quorum.

TIME ALLOCATION:

Being a member or chairman of any of the committee(s) and being a non-executive independent director on the Board your presence is must in all the meetings to be held during the year. The Company will circulate the agenda and notes well in advances, helping you to give your valuable suggestion on the matters to be discussed. You have liberty to express your opinion and give your suggestions on the subject matters to bring transparency and clarity. You are expected to give your independence judgement without influence of any other board members and contribute in formation of growth strategy for the company, can express your views on the performance of the company and mitigation of risk as well as ensuring high standards of financial integrity and corporate governance.

By accepting this appointment letter, you are expected to devote such time as appropriate to you to discharge your duties and to meet the expectations of the Board and shareholders.

PROFESSIONAL CONDUCT:

As an Independent Director you shall fulfil your responsibilities in a professional and faithful manner which will promote confidence of the investment community, specifically minority shareholders, regulators and companies in the institution of independent directors. You shall:

i. uphold ethical standards of integrity and probity;

ii. act objectively and constructively while exercising your duties;

iii. exercise your responsibilities in a bona fide manner in the interest of the Company;

iv. devote sufficient time and attention to your professional obligations for informed and balanced decision-making;

v. not allow any extraneous considerations that may vitiate your 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;

vi. not abuse your 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;

vii. refrain from any action that could lead to a loss of your independence;

viii. ensure that if circumstances arise under which you may lose your independence, you will immediately inform the Board accordingly;

ix. assist the Company in implementing the best corporate governance practices.

ROLES AND RESPONSIBILTIES:

As an independent director you shall;

i. help in bringing an independent judgment to bear on the Board's deliberation especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;

ii. bring an objective view in the evaluation of the performance of board and management;

iii. scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;

iv. satisfy yourself on the integrity of financial information and that financial control and the systems of risk management are robust and defensible;

v. safeguard the interests of all stakeholders, particularly the minority shareholders;

vi. balance the conflicting interest of the stakeholders;

vii. determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessarily recommend removal of executive directors, key managerial personnel and senior management;

viii. moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

ix. not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates;

x. not assign your office as Director and any assignments so made shall be void.

xi. discharge the duties, roles and functions as applicable to Independent Directors as stated under Schedule IV to the Act, as in force and as may be amended from time to time. While performing such duties, roles and functions, you will be required to abide by the 'Guidelines of Professional Conduct' as stated under the said Schedule.

DUTIES:

As an independent director you shall;

i. undertake appropriate induction and regularly update and refresh your 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 you are chairman or member;

iv. participate constructively and actively in the committees of the Board in which your are chairpersons or Members;

v. strive to attend the general meetings of the company;

vi. 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 yourself 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 yourself 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 your 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 law.

xiv. act in accordance with the articles of the company.

xv. 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 interests of the company, its employees; the shareholders, the community and for the protection of environment

xvi. exercise your duties with due and reasonable care, skill and diligence and shall exercise independent judgment.

xvii. not involve 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.

xviii. not achieve or attempt to achieve any undue pain or advantage either to yourself or to your relatives, partners, or associates and if you found guilty of malting any undue gain, you shall be liable to pay an amount equal to that gain to the company.

xix. not assign your office and any assignment, if so made, shall be void.

xx. not contravenes the provisions of section 166, if so made, shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.

STATUS OF APPOINTMENT & REMUNERATION:

This letter of appointment shall not constitute a contract of employment and you shall not be calculated as an employee of the Company. You shall eligible to remuneration by way of sitting fees for the meetings of Board and committees attended by you. The sitting fees shall be paid as may be decided by the Board, which may differ for attending Board and Audit Committee and other committees. Further remuneration by way of commission (as a % of profit), if any, as may be approved by the Board and Shareholders from time to time. Pursuant to the provisions of Act and SEBI Regulations, you shall not be eligible to any stock options. The Company will reimburse you for travel, hotel and other incidental expenses incurred by you in performance of your role, responsibilities and duties.

DIRECTORS' & OFFICERS (D & O) LIABILITY INSURANCE:

The Company is in the process of procuring Directors' & Officers (D & O) liability insurance policy for all its Directors including independent directors and ensure that such policy shall cover full term of your appointment. The policy shall not cover wrongful act, fraud or any unlawful activities of the Directors.

PERFORMANCE EVALUATION:

As per the provisions of the Companies Act, 2013 and SEBI Regulations, the performance of independent director shall be done by the entire Board, excluding the director being evaluated. The criteria of evaluation shall be determined by the Nomination and Remuneration Committee. On the basis of report of performance evaluation, the Board shall determine whether to extend or continue the term of appointment of independent Director.

SEPARATE MEETING OF INDEPDENDENT DIRECTOR:

As required under the Act and SEBI regulations, the independent directors shall meet once in every year without the presence of non-independent directors and members of the Management. All independent directors shall strive to be present in the meeting to;

i. review the performance of non-independent directors and the board of directors as a whole

ii. review the performance of the chairperson of the Company, taking into account the views of executive directors and non-executive directors;

iii. assess the quality, quantity and timeliness of flow of information between the management of the Company and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.

INDUCTION AND DEVELOPMENT:

The independent directors shall possess relevant expertise, experience, skills etc. to perform their role as an independent director in the organization. If required, the Company will support by arranging various programmes for updating skills and knowledge of independent directors. The independent directors shall be familiarised about the company and its business, nature of industry in which its operates, business model etc.by arranging various training session or presentation.

CONFIDENTIALITY:

During your appointment as an independent director you may come across to various confidential information of the Company. Information acquired during your period should not be released, either during your appointment or following termination (by whatever means) to third parties without prior clearance from the Company/Board unless required by law or by the rules of any stock exchanges or regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by Prasol.

RESIGNATION / TERMINATION:

You may resign at any point of time from the Directorship of the Company by giving a notice in writing to the Company stating the detailed reasons for resignation, along with that you have also to provide a confirmation that there are no other material reason other than mentioned in the letter. The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by you in the notice, whichever is later. Further, in terms of provisions of the Act, you are required to file a copy of your resignation letter with the Registrar of Companies, if any.

Your Directorship on the Board of the Company shall terminate or cease in accordance with law. Apart from the grounds of termination as specified in the Act, your Directorship may be terminated for violation of any provision of the Code of Conduct of the Company.

At any stage, during your tenure, if there is a change that may affect your status as an Independent Director as envisaged in Section 149(6) of the Act and SEBI regulations, you agree to promptly submit your resignation to the Company with effect from the date of such change.

GOVERNING LAW:

This appointment letter is governed by and will be interpreted in accordance with Indian law and your engagement shall be subject to the jurisdiction of the Indian courts.

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

Yours Sincerely,

For **Prasol Chemicals Limited**

Managing Director
DIN:

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

Signed ………………………………. Dated ……………………………….