



POLICY ON TERMS OF APPOINTMENT OF DIRECTORS AND FIXATION OF REMUNERATION

Regulatory Authority	Companies Act 2013 SEBI (LODR) Regulations 2015
Review Frequency	Annual or as required

1. Preamble

This Policy on Terms of Appointment of Directors and Fixation of Remuneration ('Policy') has been formulated by Prompt Corporate Services Limited ('PCSL' or 'the Company') in compliance with the provisions of Section 178 of the Companies Act, 2013, the Rules made thereunder, and Regulation 19 read with Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations'). This Policy has been approved by the Board of Directors of the Company.

2. Objectives

The Policy aims to:

- Identify persons who are qualified to become directors and who may be appointed as Senior Management Personnel in accordance with the criteria laid down, and to recommend to the Board their appointment and removal.
- Formulate criteria for determining qualifications, positive attributes and independence of Directors and recommend to the Board a policy relating to remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel.
- Ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors to run the Company successfully.
- Ensure that the relationship of remuneration to performance is clear and meets appropriate benchmarks.
- Ensure that remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company.

3. Definitions

For the purposes of this Policy:

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Shalini Lingwanja
Director



- 'Act' means the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time.
- 'Board' means the Board of Directors of PCSL.
- 'Director' means a director appointed to the Board of PCSL.
- 'Executive Director' means a Director who is in the whole-time employment of the Company or a Managing Director.
- 'Non-Executive Director' means a Director other than an Executive Director.
- 'Independent Director' means a Director as defined under Section 149(6) of the Act and Regulation 16 of SEBI LODR Regulations.
- 'Key Managerial Personnel' or 'KMP' has the meaning assigned to it under the Act.
- 'Senior Management' means personnel of the Company who are members of its core management team excluding Board of Directors, comprising all members of management one level below the Executive Directors.

4. Criteria for Appointment of Directors

4.1 Qualifications

A Director shall possess adequate qualification, expertise and experience for the position they are considered for appointment. The Board has the discretion to decide whether qualification, expertise and experience possessed by a person is sufficient for the concerned position.

4.2 Positive Attributes

A Director shall be a person of integrity and shall possess the following positive attributes:

- Ability to develop a good understanding of the Company and its business environment.
- Ability to exercise informed, independent judgement on matters before the Board.
- Commitment to safeguarding the interests of shareholders and other stakeholders.
- Adherence to ethical standards and values.
- Willingness to devote sufficient time and effort to their duties.

4.3 Independence Criteria

While recommending appointment of Independent Directors, the Board shall satisfy itself on the fulfilment of all criteria of independence as specified under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI LODR Regulations.

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Director



- The Board shall assess the independence of Directors at the time of appointment / re-appointment annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.
- The criteria of independence shall be, as laid down in Act, Listing Regulations and other relevant laws, if any, as amended from time to time.

4.4 Duties of Independent Directors

Independent Directors shall perform the below mentioned duties:

- a) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- b) seek appropriate clarifications or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;
- c) strive to attend all the meetings of the Board of Directors and of Board committees of which they are members;
- d) participate constructively and actively in the committees of Board in which they are chairpersons or members;
- e) strive to attend the general meetings of the Company;
- f) 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 meetings;
- g) keep themselves well informed about the company and the external environment
- h) in which it operates;
- i) not to unfairly obstruct the functioning of an otherwise proper Board or the Committee of the Board;
- j) 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;
- k) 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;
- l) report concern about unethical behavior, actual or suspected fraud, or violation of company's code of conduct or ethics policy;

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- m) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees; m. 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.

5. Terms of Appointment of Directors

5.1 Executive Directors

Executive Directors shall be appointed by the Board, subject to approval of shareholders wherever required. The terms and conditions of appointment including remuneration shall be approved by the Board and, where required, by the shareholders and the Central Government.

5.2 Independent Directors

Independent Directors shall be appointed for a term of up to five consecutive years on the Board of the Company, with the possibility of re-appointment for a second term. No Independent Director shall hold office for more than two consecutive terms of five years each. They may be eligible for appointment after the expiry of three years of ceasing to be an Independent Director.

5.3 Non-Executive Non-Independent Directors

Non-Executive Non-Independent Directors shall be liable to retire by rotation as per the provisions of the Act. One-third of such directors shall retire at every Annual General Meeting.

6. Remuneration Framework

6.1 Remuneration of Executive Directors / Whole-time Directors / Managing Director

The remuneration/compensation/commission etc. to Executive Directors shall be subject to the provisions of Sections 196, 197, 198 and Schedule V of the Companies Act, 2013 and the Rules made thereunder. The remuneration shall consist of :

- **Fixed component:** Salary, allowances, perquisites, retirement benefits.
- **Variable component:** Performance-linked bonus/commission based on Company performance and individual performance.
- **Stock options:** (if applicable) as per SEBI (Share Based Employee Benefits) Regulations.

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6.2 Remuneration of Non-Executive Directors

Non-Executive Directors shall be entitled to sitting fees for attending meetings of the Board and its Committees as decided by the Board within the limits prescribed under the Act.

6.3 Remuneration of Independent Directors

Independent Directors shall not be entitled to any stock option. They shall receive sitting fees and commission as applicable to Non-Executive Directors. No stock options shall be granted to Independent Directors.

6.4 Remuneration of KMP and Senior Management

Remuneration of KMP and Senior Management shall be recommended and approved by the Board.

The remuneration shall be market-driven and commensurate with the responsibilities and performance of the individual.

7. Disclosures

The remuneration of Directors, KMP and Senior Management shall be disclosed in the Annual Report of the Company as required under the Act and SEBI LODR Regulations. The Company shall also disclose this Policy on its website and make reference thereto in the Annual Report.

8. Amendments

The Board can amend this Policy, as and when deemed fit. In case of any amendment(s), clarification(s), circular(s) issued by the relevant authorities, this Policy shall stand automatically amended/modified in line with such amendment(s), clarification(s), and circular(s).

9. Legacy arrangements

For the duration of this Remuneration Policy, entitlements arising before the adoption of this Remuneration Policy will continue to be honored in line with the approved remuneration policy under which they were granted, or their contractual terms.

The Board reserves the right to make any remuneration payments and payments for loss of office (including exercising any relevant discretions) notwithstanding that they are not in line with this Remuneration Policy where the terms of the payment were agreed before this Remuneration Policy came into effect.

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Director