

Mr. [•]

Dear Sir/Madam,

**Appointment as an Independent Director of Persistent Systems Limited (the 'Company')**

I am pleased to inform you that the Company, at its [•] Annual General Meeting held on [•], has appointed you as an Independent Director for the first term of 5 (Five) consecutive years i.e. from [•], to [•]. I am writing to set out the terms of your appointment which is in terms of Schedule IV (Cl. IV-4) of the Indian Companies Act, 2013. Please note that this is a contract for services and is not a contract of employment.

**A. Appointment**

1. The appointment is for the first term of 5 (Five) consecutive years i.e. from [•] to [•] (to be regarded as the 'Retirement Date'). Your appointment shall come to an end on the Retirement Date. The appointment shall be as per the Company's Articles of Association (Enclosed as **Annexure 1**).
2. Notwithstanding the other provisions of this letter, the appointment may be terminated with or without cause at any time by the Company with immediate effect, in accordance with the Indian Companies Act, 2013 and Rules and Regulations made thereunder and the Company's Articles of Association or, as applicable, or upon your resignation, or the Board of Directors (excluding you) is of opinion that your continued appointment is not in the interest of the Company. Upon such termination or resignation of your appointment for any reason, you shall not be entitled to any damages for loss of office and no fee will be payable to you in respect of any unexpired portion of the term of the appointment or any damages whatsoever. Upon such termination or resignation, you undertake to sign all appropriate paperwork that the Company may require.
3. During the term of your appointment, you may be asked to serve on one or more of the Board Committees including the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship and ESG Committee, Corporate Social Responsibility Committee, Executive Committee, Investment Committee, Risk Management Committee or such committees of the Board of the Directors from time to time and you will be provided with copies of the terms of reference for each of those Committees.
4. You are considered to be an Independent Director and will be identified as such in the Annual Report, Company's Website, and other documentation. If circumstances change, and you believe that your independence may be in doubt, you should discuss this with the Chairman of the Company.

**B. Time Commitment**

By accepting the appointment, you confirm that you are able to allocate sufficient time to perform your role as an Independent Director of the Company.

You will attend at least one Board Meeting during every Financial Year in-person / through video conferencing as provided under the Indian Companies Act, 2013. Also, you will strive to attend the Board / its committees' calls whenever scheduled as per the best convenience of most of the attendees.

## Role and responsibility

1. As an Independent Director, you will be bound by the Code for Independent Directors as mentioned under Schedule IV of the Indian Companies Act, 2013.
2. As an Independent Director, you have the same general legal responsibilities to the Company as any other Director including all fiduciary duties, responsibilities, statutory obligations and liabilities of directors prescribed in law including the Indian Companies Act, 2013.
3. The Board as such is collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs. The brief description of the terms of reference of the Board of Directors are as follows:
  - a. To manage and direct the business and affairs of the Company;
  - b. To manage, subject to the Articles of Association of the Company, its affairs, including planning its composition, selecting its Chairman, appointing Committees, establishing the terms of reference and duties of Committees, and, determining Directors' compensation;
  - c. To act honestly and in good faith in the best interests and objects of the Company, its employees, its shareholders, the community, and for the protection of the environment;
  - d. To exercise due care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances and shall also exercise independent judgment;
  - e. To participate directly or through its Committees, in developing and approving the mission of the business, its objectives, and goals, and the strategy for their achievement;
  - f. To ensure congruence between shareholders' expectations, Company's goals, objectives, and management performance;
  - g. To monitor the Company's progress towards its goals and to revise and alter its direction in light of changing circumstances;
  - h. To approve and monitor compliance with all significant policies and procedures by which the Company is operated;
  - i. To ensure that the Company operates at all times within applicable laws and regulations and ethical and moral standards;
  - j. To ensure that the performance of the Company is adequately reported to shareholders, other stakeholders, and regulators on a timely and regular basis;
  - k. To ensure that the audited annual financial statements are reported fairly and in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India and other processes and procedures as per the notified Secretarial Standards issued by the Institute of Company Secretaries of India;
  - l. To ensure that any developments that have a significant and material impact on the Company are reported from time to time to the concerned authorities;
  - m. Not to involve in a situation which may have a direct or indirect interest that conflicts, or possibly may conflict with the interest of the Company;
  - n. Not to achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the Company;
  - o. Not to assign his office and any assignment so made shall be void; and
  - p. To act in accordance with the laws and regulations of the country and the Memorandum and Articles of Association of the Company.

4. In addition to the above responsibilities of all Directors of the Company, the role of the Independent Directors shall also have the following key elements:
  - a. Strategy and Business Development: You should constructively challenge and contribute to the overall strategy and to the business development initiatives of the Company by getting actively engage with the Company in making introductions to potential clients in the key service areas of the Company;
  - b. Performance: You should scrutinize the performance of management in meeting on the agreed goals and objectives and monitor the reporting of performance; and
  - c. Risk: You should satisfy yourself that financial information is accurate, and that financial controls and systems of risk management are robust and defensible.

#### **C. Other obligations and compliances**

You will be required to execute/confirm with respect to the following documentation on a periodic basis:

- a. Confirmation that you are not disqualified to act as a Director of the Company in terms of the Indian Companies Act, 2013
- b. Declaration of Independence in terms of the Indian Companies Act, 2013 and SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015
- c. Confirmation that you are not a non-independent director of any other company on the board of which any non-independent director of Company is an independent director
- d. Disclosures under the Company Code for Prevention of Insider Trading
- e. Code of Conduct for Directors and Employees of the Company
- f. Code of Conduct for Independent Directors as per Schedule IV of the Indian Companies Act, 2013
- g. Disclosure of change in Interest in companies where you are appointed / ceased as a Director or Key Managerial Personnel
- h. Confirmation that your directorships in companies do not conflict with the interest of the Company
- i. Confirmation that you directly, indirectly, or on behalf of third parties, do not have a material interest in any transaction or matter directly affecting the Company.
- j. Confirmation that you have valid registration obtained from the 'Indian Institute of Corporate Affairs at Manesar', the institute for the creation and maintenance of data bank of Independent Directors; and clear the self-assessment online proficiency test as required under the above registration.

#### **D. Remuneration**

1. The aggregate remuneration to be paid to all the Independent and Non-Executive Directors would not exceed 1% of the total net profits of the Company during any Financial Year.
2. Subject to provisions of the Indian Companies Act, 2013 and other applicable Indian laws, Fixed Commission of INR [•] (Rupees [•]) per annum or any other amount as may be decided by the Board from time to time, will be paid to you from the date of your appointment. In case the appointment is between the financial year, pro-rata amount of commission will be paid.
3. The Company pays sitting fee for attending each Board and Committee Meetings as follows:
  - a. INR [•] (Rupees [•]) for attending each Board Meeting in-person or through Video Conferencing in terms of the Indian Companies Act, 2013 (with recording facility and after following due compliances).

- b. INR [•] (Rupees [•]) for attending Audit Committee Meetings in-person or through Video Conferencing in terms of the Indian Companies Act, 2013 (with recording facility and after following due compliances).
- c. INR [•] (Rupees [•]) for attending Nomination and Remuneration Committee and/or Risk Management Committee Meetings in-person or through Video Conferencing in terms of the Indian Companies Act, 2013 (with recording facility and after following due compliances).
- d. INR [•] (Rupees [•]) for attending other Committee Meetings in-person or through Video Conferencing in terms of the Indian Companies Act, 2013 (with recording facility and after following due compliances).
- e. INR [•] (Rupees [•]) for attending Executive Committee Meetings in-person or through Video Conferencing in terms of the Indian Companies Act, 2013 (with recording facility and after following due compliances).

Attendance through video conferencing or by other audio-visual means in terms of the Indian Companies Act, 2013 and the rules made thereunder shall also be considered a valid presence and will qualify for the payment of the above sitting fees.

The amount of sitting fees will be decided by the Board from time to time.

- f. The Remuneration described above is the gross amount payable per financial year, which is subject to deductions of applicable taxes and any other deductions required, if any by any applicable laws. You shall be responsible for your personal taxation. However, the Company will assist you in tax filings if any, and compliance requirements in India.
- g. If your term comes to an end or you resign or are terminated; you shall be paid any amounts due to you on a pro-rata basis.
- h. The Company has made provisions for Directors and Officers (D&O) insurance policy which covers the risk of breach of duty, neglect or omission to act, error or misstatement or misleading statement and failure to supervise, etc.

#### **E. Expenses**

In addition to the compensation described in above, the Company will reimburse your official travel expenses, hotel expenses, and all other reasonable out of pocket expenses for participating in Board and other Committee meetings and other Business meetings.

#### **F. Other directorships and Business Interests**

1. The Company acknowledges that you may have business interests in other companies. In the event that you become aware of any potential conflicts of interests, these should be disclosed to the Chairman and Company Secretary as soon as they become apparent.
2. During the appointment, you should consult with the Chairman prior to accepting any such other (or further) directorships of companies or any major external appointments which may affect your interest in the Company.

## G. Code of Conduct

During the period of your appointment, you will be bound by the Company Code of Directors (Attached as **Annexure 2**) and such other codes of conduct under applicable laws including the Indian Companies Act, 2013 and Regulations prescribed by the Securities and Exchange Board of India.

## H. Confidentiality and Non-Disclosure

1. You must apply the highest standards of confidentiality and not disclose to any person or company (whether during the course of the appointment or at any time after its termination) any confidential information concerning the Company and any Group Companies (including wholly owned subsidiaries) with which you come into contact by virtue of your position as an Independent Director of the Company.
2. Any information concerning the Company's business, its customers, suppliers, etc. which is not in public domain and to which all employees do not have access, should be considered confidential for the purpose and should be held in confidence, unless authorised to do so and when disclosure is required as a requirement of law.
3. Your attention is drawn to the requirements under Indian regulations as to the disclosure of price sensitive information. You shall not provide any information either formally or informally, to the press or any other publicity media without prior written clearance from the Chairman or Company Secretary.
4. The examples of confidential information are, but not limited to the following:
  - a. Business plan, annual operations plan
  - b. Software developed / under development
  - c. Technical information about software and computer systems
  - d. Performance against target
  - e. Costing, pricing, profitability, financial budget and related issues
  - f. Fees / stipend, evaluations, recommendations etc. related to any of the employees of the Company
  - g. Sales commission, third party commission and about reference agents
  - h. Details of past, present and future contracts and proposals
  - i. Information about suppliers and/or customers
  - j. Communication facilities and equipment
  - k. Proposed ventures and corporate plans
  - l. Technical marketing and financial strategies of the Company and/or its customers
  - m. Core competencies and activities of the Company and/or its customers
  - n. Any major expansion plans or execution of new projects;
  - o. Amalgamation, mergers or take-overs, de-mergers, acquisitions, delistings, and such other transactions;
  - p. Periodical financial results of the Company;
  - q. Any other information, which is likely to be crucial for the business operations
5. On termination/retirement of the Appointment, you will deliver to the Company all books, documents, papers, and other property of or relating to business of the company or any Group Company which are in your possession, custody or power by virtue of your position as an Independent Director of the Company. The Company will arrange the disposal of papers that you no longer require.
6. If there is a breach or threatened breach of the provisions of Confidentiality, the Company shall be entitled to injunctive relief.

**I. Liability**

As an Independent director, you will be liable only in respect of such acts of omission or commission by a company that had occurred with your knowledge, attributable through the Board process, and with your consent or connivance or where you had not acted diligently.

**J. Review Process**

The performance of individual Directors and the whole Board and its committees is evaluated annually. You confirm that you will make yourself available for carrying out the annual / periodic performance review of yourself and the Board committees where you are part thereof for review purpose. You further confirm that you will extend your contribution to review of the Board of Directors individually as well as for its various committees on behalf of / as desired by the Board of Directors on an annual / periodic time frame.

If, in the interim, there are any matters which cause you concern about your role you should discuss them with the Chairman as soon as it is appropriate.

In accordance with the Indian Companies Act, 2013, this letter of appointment will be made public by the Company including by placing a copy of this letter on the website of the Company. As mandated under the Indian Companies Act, 2013, this letter will also be available for inspection by the shareholders of the Company. Any dispute arising out or in connection with this agreement shall be subject to the exclusive jurisdiction of Courts in Pune, India. This agreement shall be governed by the laws of India without reference to its conflicts of laws principles.

Please confirm your agreement to the above by signing and returning to me the enclosed duplicate of this letter.

Yours sincerely,  
For **Persistent Systems Limited**

Mr. [•]  
Designation: [•]  
DIN: [•]

Date : \_\_\_\_\_  
Place : \_\_\_\_\_

Encl. – As above

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

\_\_\_\_\_  
Independent Director  
DIN: \_\_\_\_\_  
Date : \_\_\_\_\_  
Place : \_\_\_\_\_