

## IL&FS Engineering and Construction Company Limited

### TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

#### **1. Time Commitment**

Independent Directors shall devote such time as is prudent and necessary for the performance of their role, duties and responsibilities as an Independent Director. Independent Directors shall endeavor to attend all board meetings, meetings of the Committee(s) of the Board of Directors of which they are member or chairperson and Annual General Meeting. Independent Directors are expected to devote appropriate preparation time ahead of each meeting.

#### **2. Roles and Duties**

Independent Directors shall discharge all functions and duties as prescribed for an Independent Director under the Companies Act, 2013("the Act"), rules framed thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015("Regulations")/Listing Requirements and other laws and regulations and in particular the following

- a) Independent Directors shall act in accordance with the Articles of Association of the Company.
- b) Independent Directors 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 interests of the Company, its employees, the shareholders, the community and for the protection of environment.
- c) They shall not involve in a situation in which they might have a direct or indirect conflict of interest or which possibly may have conflict with the interest of the Company.
- d) They shall exercise their duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- e) An Independent Director shall not achieve or attempt to achieve any undue gain or advantage either to himself / herself or to his/ her relatives, partners, or associates and if he / she is found guilty of making undue gain, he / she shall be liable to necessary action.
- f) The office of Independent Director is not assignable and such assignment shall be void.
- g) Independent Directors shall abide by the provisions of 'Code for Independent Directors shall abide by the provisions of 'Code for Independent Directors' as outlined in Schedule IV of the Companies Act, 2013

#### **3. Independent Advice**

The Independent Directors may seek independent professional advice with the approval of the Chairman of the Board of Directors, at the Company's expense, on any matter connected with the discharge of their responsibilities as Independent Directors.

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### **4. Liabilities**

(i) Under the Act, an Independent Director shall be held liable, only in respect of such acts of omission or commission by the company which had occurred with his/ her knowledge attributable through Board processes, and with his/ her consent or connivance or where he /she has not acted diligently.

ii. Independent Directors shall be responsible for providing guidance in the areas of their expertise.

iii. The performance of Independent Directors and that of the Board of Directors and its Committees shall be evaluated annually as per the provisions of the Act and rules framed thereunder, Regulations and other laws and regulations.

### **5. Remuneration and Expenses**

i. Independent Directors are paid remuneration by way of sitting fees for attending the meetings of the Board of Directors and its Committees as may be approved by the Board of Directors and/or the members, as the case may be, from time to time.

ii. Further, Independent Directors may also be paid remuneration by way of commission as may be approved by the Board of Directors and members of the Company from time to time.

iii. In addition to the above, the Company may pay or reimburse such fair and reasonable expenditure, as may be incurred by Independent Directors while performing their role as Independent Director of the Company.

### **6. Director & Officers (D&O) Liability Insurance**

The Company does not have such Insurance Policy as is not required as per the Regulations.

### **7. Training of Independent Directors**

The Company shall arrange suitable training/ familiarization programmes in order to familiarize the Independent Directors with their role, responsibilities, nature of industries in which the Company operates, business model of the Company, etc.

### **8. Disclosures**

Independent Directors shall make all statutory disclosures/ confirmations, as required under the Act, rules thereunder, Regulations and other applicable laws and regulations, to the Company and to various statutory and regulatory authorities.

### **9. Code of Conduct**

Independent Directors shall comply with the 'Code of Conduct to Regulate, Monitor and Report Trading in Securities of the Company' and 'Code of Conduct and Ethics' of the Company.

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### **10. Termination**

- (a) Independent Directors may resign from the position at any time by giving a notice in writing to the Company stating reasons of resignation. The resignation shall take effect from the date on which the notice is received by the Company or the date if any specified in the notice, whichever is later.
- (b) Independent Director shall cease to hold if fails to meet the criteria for an Independent Director mentioned in the Act and/or the Regulations and/or if otherwise disqualified and shall forthwith intimate the Company of such event and promptly submit resignation to the Company with effect from date of such change.
- (c) The Company can also terminate the directorship in accordance with the procedure set out in Section 169 of the Act. Apart from the grounds of termination as specified in the Act, the directorship may be terminated for violation of any provisions of the appointment letter.

### **11. Confidentiality**

Independent Directors may only use the confidential information about the Company in the proper performance of their duties or as required by law. Independent Directors must not use the confidential information about the Company to gain advantage for themselves or others, or to the detriment of the Company. On termination or expiry of their tenure, they shall return on the Company's request, all books, papers, documents and other property of or relating to the business of the Company, which are in their possession or custody. Unless specifically authorized by the Company or required under the law, Independent Directors shall not disclose information about the Company or its business to the public or the Company's stakeholders.

### **12. Governing Law and Jurisdiction**

The appointment of Independent Directors shall be governed by and construed in accordance with the laws of the Republic of India and shall be subject to the exclusive jurisdiction of the Courts of India.