

Terms and Conditions of Appointment of Independent Directors of Jhajharia Nirman Limited

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1. Appointment and term

- 1.1 An Independent Director is appointed for a term of up to five consecutive years, with the approval of the members of the Company.
- 1.2 An Independent Director may be re-appointed for one more term of up to five years by a special resolution of the members, on the basis of the report of performance evaluation, and must then cool off for three years before being appointed again (Section 149(10) and (11)).
- 1.3 Independent Directors are not liable to retire by rotation (Section 149(13)).
- 1.4 The appointment is subject to the Independent Director meeting the criteria of independence in Section 149(6), the limits on directorships in Section 165, and not being disqualified under Section 164.

2. What the Board expects

- 2.1 The Board expects each Independent Director to bring independent judgement on strategy, performance, risk management, resources, key appointments and standards of conduct, and to safeguard the interests of all stakeholders, particularly minority shareholders.
- 2.2 An Independent Director may be appointed to committees of the Board, including the Audit Committee, the Nomination and Remuneration Committee and the CSR Committee, and will be given the terms of reference of each.

3. Duties and liabilities

- 3.1 An Independent Director will act in accordance with Section 166 of the Act and the Code for Independent Directors in Schedule IV, including to:
 - act in good faith 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, shareholders, the community and the environment;
 - exercise duties with due and reasonable care, skill and diligence, and exercise independent judgement;
 - attend Board and committee meetings regularly and keep well informed about the Company;

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- avoid any situation in which there is, or may be, a conflict with the interests of the Company;
- not achieve or attempt to achieve any undue gain or advantage for themselves or their relatives, partners or associates;
- not disclose confidential information unless approved by the Board or required by law; and
- report concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's Code of Conduct.

3.2 Under Section 149(12), an Independent Director is liable only for acts of omission or commission by the Company that occurred with their knowledge, attributable through Board processes, and with their consent or connivance, or where they did not act diligently.

4. Things an Independent Director should not do

- Take part in any decision in which they have a personal interest, without disclosing it.
- Hold any pecuniary relationship or transaction with the Company that would affect their independence.
- Accept stock options of the Company (Section 149(9)).
- Unfairly obstruct the functioning of the Board or its committees.
- Use their position or confidential information for personal gain.

5. Declarations, databank and familiarisation

- 5.1 An Independent Director will give a declaration of independence at the first Board meeting after appointment, at the first Board meeting of every financial year, and whenever circumstances change (Section 149(7)).
- 5.2 An Independent Director must be registered in the Independent Directors' Databank maintained by the Indian Institute of Corporate Affairs, and must pass the online proficiency self-assessment test unless exempt, under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.
- 5.3 The Company will provide induction and familiarisation, including visits to project sites.

6. Meetings and evaluation

- 6.1 The Independent Directors will meet at least once a year without the other directors and management present, to review the performance of the non-independent directors and the Board as a whole, the performance of the Chairperson, and the flow of information to the Board (Schedule IV, para VII).



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- 6.2 The performance of each Independent Director will be evaluated by the entire Board, excluding the director being evaluated. Re-appointment will depend on this evaluation (Schedule IV, para VIII).

7. Code of Conduct

An Independent Director will comply with the Company's Code of Conduct and Ethics for directors and senior management, and confirm compliance every year.

8. Remuneration

- 8.1 An Independent Director will receive sitting fees for attending meetings of the Board and its committees, as decided by the Board within the limit of ₹1 lakh per meeting prescribed by Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- 8.2 The Company may pay a profit-related commission, if approved by the Board and the members, within the limits of Section 197.
- 8.3 The Company will reimburse reasonable expenses for travel, accommodation and other costs incurred in attending meetings and performing duties.

9. Insurance

The Company may take Directors' and Officers' liability insurance for its directors. If it does, Independent Directors will be covered on the terms of that policy.

10. Conflict of interest

An Independent Director will disclose their other directorships and interests in writing (Form MBP-1) at the first Board meeting of every financial year and whenever there is a change (Section 184).

11. Confidentiality

All information received as a director is confidential, both during and after the term, unless it becomes public through no fault of the Independent Director or its disclosure is required by law.

12. Resignation and removal

An Independent Director may resign by written notice to the Company. The appointment may also end under the provisions of the Act or the Company's Articles of Association.

13. Inspection

The letter of appointment is open for inspection by any member at the registered office during normal business hours.

14. Governing law

These terms are governed by the laws of India.



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