

**TERMS AND CONDITIONS FOR
APPOINTMENT OF INDEPENDENT
DIRECTORS**

{PURSUANT TO SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS)
REGULATIONS, 2015}

TERMS AND CONDITIONS FOR APPOINTMENT OF INDEPENDENT DIRECTORS

Pursuant to the provisions of Schedule IV to the Companies Act, 2013 ("the Act") and Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

APPOINTMENT: -

1. The appointment as a Non-Executive Independent Director on the Board of Directors of the Company is subject to the provisions of Companies Act, 2013. In accordance with the provisions of the Companies Act, 2013 and other applicable laws, the terms of appointment of an Independent Director will be for a period of 5 consecutive years from the date of appointment, unless prematurely concluded by mutual consent, or otherwise as provided thereafter.
2. In compliance with provision of Section 149(13) of the Companies Act, 2013, Independent Directors are not subject to retirement by rotation.
3. Notwithstanding other provision, their appointment may be terminated in accordance with the provisions of the Article of Association of the Company or on failure to meet the parameters of Independence as defined in Section 149(6) or on occurrence of any event as defined in Section 167 of the Companies Act, 2013.
4. Upon termination or upon resignation for any reason, duly intimated to the Company, Independent Directors will not be entitled to any compensation for loss of office.

THE COMMITMENT: -

5. As a Non-Executive Independent Director, they are expected to bring objectivity and Independence of view to the Board's discussion and to help provide the Board with effective leadership in relation to the Company's strategy, performance, risk management and CSR activities as well as ensuring high standards of financial probity and corporate governance. They are expected to attend Board and other Committees meeting to which they may be appointed including shareholders meetings and to devote such time to their duties, as is appropriate to discharge their duties effectively.
6. By accepting the appointment, the Independent Directors have confirmed that they are able to allocate sufficient time to meet the expectations from role to the satisfaction of the Board.

Ramakaila Badhan



ROLES AND DUTIES: -

7. The role and duties of Independent Directors will be those normally expected of a Non – Executive Independent Directors under the Companies Act, 2013. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:
- I. They shall act in accordance with the Company's Articles of Association as may be amended from time to time;
 - II. They shall act in good faith in order to promote the objects of the Company for the benefits of its members as a whole, and in the best interest of the Company;
 - III. They shall discharge their duties with due and reasonable care, skill and diligence;
 - IV. They shall not involve themselves in a situation in which they may have a direct or indirect interest that conflicts or possibly may conflict with the Interest of the Company;
 - V. They shall not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners or associates.
 - VI. They shall not assign their office as Director and any assignment so made shall be void.

In addition to the above requirements the Independent Directors are also expected to perform the following functions:

- I. They should constructively challenge and help develop proposals on strategy for growth of the Company.
- II. They should evaluate the performance of management in meeting agreed goals & objectives.
- III. They should satisfy themselves on the Integrity of financial information and that financial controls and systems of risk management are effective and defensible.
- IV. They are responsible for determining appropriate levels of remuneration of Executive Directors and have to play prime role in appointing, Directors and in succession planning.
- V. They are supposed to keep governance and compliance with the applicable legislation and regulations under review and the conformity of Company's practices to accepted norms.

STATUS OF APPOINTMENT: -

8. Independent Directors are not the employees of Company and letter of appointment issued to them does not constitute a contract of employment. They are paid such remuneration by way of sitting fee for meetings of the Board and its Committees as may be decided by the Board.



REIMBURSEMENT OF EXPENSES: -

9. During the tenure of their appointment, the Company will reimburse the travelling cost, hotel and other incidental expenses incurred by them while performing their roles and duties.

CONFLICT OF INTEREST: -

10. The Company accepts and acknowledges that the Independent Directors may have business interests other than those of the Company. As a pre-condition to their appointment, they are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of their appointment.
11. In the Event that any change in circumstances that give rise to a conflict of interest or, when the changed circumstances might lead the Board to revise its judgment on their independence, the same should be disclosed to both the Chairman and the Company Secretary.

EVALUATION: -

12. The Board of Directors will carry out evaluation of the performance of the Board as a Whole, Board committees and Directors on an annual basis as per Company's Policy. The appointment and re appointment of Independent Directors on the Board shall be subject to the outcome of yearly evaluation process.

DISCLOSURE OF INTEREST: -

13. The Independent Directors are supposed to disclose any material interest that they may have in any transaction or arrangement that the company has entered into.

The disclosure shall be made no later than the time when the transaction or arrangement comes up at a Board meeting for discussion so that the minutes may record the interest appropriately. A general notice to the Company that they are interested in any contract with a particular person, firm or company is also acceptable.



CODE OF CONDUCT: -

14. During their tenure of appointment, they are required to comply with the provisions of Schedule IV under Companies Act, 2013, including following codes of conduct of the Company:

- I. Code of Conduct for Board of Directors and Seniors Management,
- II. Code of Internal Procedures and Conduct for prevention of Insider Trading in securities of the Company.

CONFIDENTIALITY: -

15. The Independent Directors have been informed that all the information acquired by them during their tenure of appointment is confidential to the Company and should not be released, either during the appointment or following termination / resignation (by whatever means) to third parties without prior clearance from the Chairman unless required by law or by the rules of any stock exchange or regulatory body. On reasonable request, they are supposed to surrender any documents and other materials made available to them by the Company.

16. The independent Directors are informed of the applicable Insider trading regulations and the Company's Insider Trading Code which requires the disclosure of price sensitive information and dealing in the securities of the Company. Independent Directors are supposed to avoid making any statements or performing any transaction that might risk a breach of applicable insider trading regulations requirements without prior clearance from the Chairman or the Company Secretary.

PUBLICATION OF THE LETTER OF APPOINTMENT: -

17. The Independent Directors are aware that in line with provision of Clause IV sub clause 6 of Schedule IV, under Companies Act, 2013, the terms and conditions of their appointment will be made public and the same will be displayed on the Company's website.



MEMBERSHIP OF COMMITTEES: -

18. The Independent Directors may be appointed by the Board as Member/Chairman of one or more of its committees. The appointment of Independent Directors on committees as Chairman / member will be regulated and covered in the relevant committee's terms of reference and any specific responsibilities of the Committees as set out by the Board.

TERMINATION: -

19. The Independent Directors may resign from their position at any time and should they wish to do so, they are supposed to serve a reasonable written notice on the Board. In terms of provision of the Companies Act, 2013, they are required to file a copy of their resignation letter with the Registrar of Companies.

20. Continuation of their appointment is contingent on getting re-elected by the shareholders in accordance with provision of Companies Act, 2013 and the applicable Articles of Association of the Company, for the time being in force. Independent Directors will not be entitled to any compensation if the shareholders do not re-elect them at any time.

21. The appointment of Independent Directors may also be terminated in accordance with the provision of the applicable Articles of Association of the Company as may be in force for the time being.

Ramakanta Pradhan



Annexure I

Schedule IV of the Companies Act, 2013

[See section 149(8)]

CODE FOR INDEPENDENT DIRECTORS

The Code is a guide to professional conduct for Independent Directors. Adherence to these standards by Independent Directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of Independent Directors.

I. Guidelines of professional conduct:

An Independent Director shall:

- 1) uphold ethical standards of integrity and probity;
- 2) act objectively and constructively while exercising his duties;
- 3) exercise his responsibilities in a *bona fide* manner in the interest of the company;
- 4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- 5) not allow any extraneous considerations that will vitiate his 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;
- 6) not abuse his 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;
- 7) refrain from any action that would lead to loss of his independence;
- 8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- 9) assist the company in implementing the best corporate governance practices.

II. Role and functions:

The Independent Directors shall:

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



- 2) bring an objective view in the evaluation of the performance of board and management;
- 3) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- 4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- 5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- 6) balance the conflicting interest of the stakeholders;
- 7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- 8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

III. Duties:

The Independent Directors shall –

- 1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- 2) 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;
- 3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- 4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- 5) strive to attend the general meetings of the company;
- 6) 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 meeting;
- 7) keep themselves well informed about the company and the external environment in which it operates;
- 8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;



- 9) 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;
- 10) 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;
- 11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- 12) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- 13) 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.

IV. Manner of appointment:

- 1) Appointment process of Independent Directors shall be independent of the company management; while selecting Independent Directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- 2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- 3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made there under and that the proposed director is independent of the management.
- 4) The appointment of Independent Directors shall be formalized through a letter of appointment, which shall set out:
 - a. the term of appointment;
 - b. the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
 - c. the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - d. provision for Directors and Officers (D and O) insurance, if any;
 - e. the Code of Business Ethics that the company expects its directors and employees to follow;



- f. the list of actions that a director should not do while functioning as such in the company; and
 - g. the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- 5) The terms and conditions of appointment of Independent Directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- 6) The terms and conditions of appointment of Independent Directors shall also be posted on the company's website.

V. Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

VI. Resignation or removal:

- 1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- 2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
- 3) Where the company fulfils the requirement of Independent Directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

VII. Separate meetings:

- 1) The Independent Directors of the company shall hold at least one meeting in a year, without the attendance of non-Independent Directors and members of management;
- 2) All the Independent Directors of the company shall strive to be present at such meeting;
- 3) The meeting shall:
 - a. reviews the performance of non-Independent Directors and the Board as a whole;
 - b. review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;



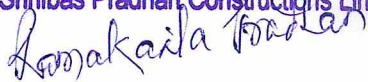
TERMS AND CONDITIONS FOR APPOINTMENT OF INDEPENDENT DIRECTORS

c. assesses the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

VIII. Evaluation mechanism:

- 1) The performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- 2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director.

Srinibas Pradhan, Constructions Limited



Whole Time Director