



MADHAV INFRA PROJECTS LIMITED

TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

[PURSUANT TO THE PROVISIONS OF SECTION 149 AND SCHEDULE IV TO THE COMPANIES ACT, 2013 AND SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015]

PREFACE

The terms and conditions of appointment of Independent Directors of Madhav Infra Projects Limited (“the Company”) are subject to the applicable provisions of the Companies Act, 2013 (“the Act”) and SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, as amended from time to time, the Articles of Association of the Company, the Company’s Ideal Code of Conduct for Board of Directors and its Code of Conduct for Prevention of Insider Trading.

The major terms and conditions of appointment of Independent Directors are as under:

PERIOD OF APPOINTMENT:

Subject to the provisions of Section 149 of Companies Act, 2013, the appointment shall be for 5 consecutive years.

Notwithstanding the other provisions of this letter, the Appointment may be terminated at any time by the Company in accordance with the Companies Acts, 2013 or Articles of Association or the Director may resign by written notice. It is desirable that the Director gives the Chairman reasonable forewarning of his/her intention to resign or to not seek re-election (where that is possible) so that the Company can plan for succession of skills and experience on the board. Upon such termination or resignation for any reason, the Director shall not be entitled to any damages for loss of office and no fee will be payable to the Director in respect of any unexpired portion of the term of the Appointment.

Independent Directors will not be liable to retire by rotation. The Company may disengage Independent Directors prior to completion of their Term, subject to compliance of relevant provisions of the Companies Act 2013.

Re-appointment at the end of the Term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the Members. The re-appointment would be considered based on the outcome of the performance evaluation process and the Independent Director continuing to meet the independence criteria.



THE EXPECTATION OF THE BOARD FROM THE APPOINTED DIRECTOR :

The Board expects from the appointed Independent Director that he/she shall —

- comply with the provisions of the Companies Act, 2013 and the rules made thereunder, including any statutory modification or amendment thereof and provisions of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 as applicable to him/her as Independent Director.
- understand and carry out diligently, his roles & functions and duties as provided under Schedule IV to the Companies Act, 2013.
- adhere to the Code of Conduct of the Company for the members of the Board and Senior Management as laid down by the Board and confirm adherence of the same on an annual basis.
- shall avoid conflict of interest with the overall interests of the Company.
- shall apply the highest standards of confidentiality and not disclose to any person or entity (whether during the course of the Appointment or at any time after its termination) any confidential information concerning the Company and any group Companies which he may come to know by virtue of his position as Independent Director of the Company.
- shall act diligently and in good faith for the interest of the Company.

APPOINTMENT IN BOARD LEVEL COMMITTEES AND ITS TASKS :

During the tenure as Independent Director, he/she may be requested to serve on one or more Committees of the Board. The Director is expected to carry out his duties / tasks as member/chairman of such Committee(s) of the Board as per the terms of reference of such committee(s).

ROLE, FUNCTIONS AND DUTIES :

The Role, Functions and Duties shall abide by the 'Code for Independent Directors' as outlined in Schedule IV to Section 149(8) and the duties of directors as provided in the Companies Act, 2013 (including but not limited to Section 166) and SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015

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 those 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.

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.

The above list is only indicative and not exhaustive.



TIME COMMITMENT :

They agree to devote such time as is prudent and necessary for the proper performance of their roles, duties and responsibilities as Independent Directors.

REMUNERATION :

The Independent Directors shall be paid sitting fees for attending the meetings of the Board and the Committees of which they are members. The sitting fees for attending each meeting of the Board and its Committees would be as determined by the Board from time to time.

In addition to the sitting fees, commission that may be determined by the Board may also be payable to Independent Directors. In determining the amount of this commission by the Board, as supported by the Nomination and Remuneration Committee after considering the performance of the Company and their performance as evaluated by the Board.

Further, the Company may pay or reimburse to the Director such expenditure, as may have been incurred while performing their role as an Independent Director of the Company. This could include reimbursement of expenditure incurred for accommodation, travel and any out-of-pocket expenses for attending Board/ Committee meetings, General Meetings, meetings with Members/ creditors/ management, site visits, induction and training (organized by the Company for Directors) and in obtaining, subject to the expense being reasonable, professional advice from independent advisors in the furtherance of the duties as an Independent Director.

INSURANCE :

The Company may take an appropriate Directors' and Officers' Liability Insurance policy and pay the premiums for the same. It is intended to maintain such insurance cover for the Term of their appointment, subject to the terms of such policy in force from time to time.

TRAINING AND DEVELOPMENT :

The Company shall conduct formal training/ familiarization programs for its Independent Directors.

The Company would provide necessary support to Independent Directors in updating their skills and knowledge and to improve their familiarity with the Company and its business. The Company may arrange training on all matters which are common to the whole Board.

CONFIDENTIALITY :

The Director 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 with which the Director comes into contact by virtue of his/her position as an Independent Director of the Company.



The attention is drawn to the requirements under the applicable laws as to the disclosure of price-sensitive information. Consequently he/she should avoid making any statements that might risk a breach of these requirements without prior clearance from the other Members of the Board of Directors of the Company. On termination of the Appointment the Director will deliver to the Company all books, document, papers and other property of or relating to the business of the Company which are in his/her possession, custody or power by virtue of his/her position as an Independent Director of the Company. The Company may arrange the disposal of papers that the Director no longer requires.

SEPARATE MEETING :

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. All the Independent Directors shall strive to be present of such meetings.

PERFORMANCE APPRAISAL / EVALUATION PROCESS :

As a member of the Board, their performance as well as the performance of the entire Board and its Committees will be evaluated annually. Evaluation of each director shall be done by all the other directors. The criteria for evaluation shall be disclosed in the Company's Annual Report. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committee.

DISCLOSURES :

During the Term, Independent Director agree to promptly notify the Company of any change in their directorships, Memberships and provide such other disclosures and information as may be required under the applicable laws. They also agree that upon becoming aware of any potential conflict of interest with their position as Independent Director of the Company, they shall promptly disclose the same to the Chairman and the Company Secretary.

During their Term, Independent Director agree to promptly provide a declaration under Section 149(7) of the Companies Act, 2013, upon any change in circumstances which may affect their status as an Independent Director.

During the Term, Independent Director shall promptly intimate the Company Secretary and the Ministry of Corporate Affairs / Registrar of Companies in the prescribed manner of any change in address or contact details or personal details provided to the Company at the time appointment



MISCELLANEOUS :

An Independent Director shall not serve as an independent director in more than seven listed companies or such number of listed Companies as may be stipulated by the Listing Agreement or any other law of the land, for the time being in force.

Further, an Independent Director who is serving as a whole-time director in any listed company shall not serve as an independent director in more than three listed companies or such number of listed Companies as may be stipulated by the Listing Agreement or any other law of the land, for the time being in force.

Note: *These are the general terms and conditions of Appointment of Independent Directors which are subject to Modifications / Amendment.*
