

## **TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS OF NATIONAL HIGHWAYS INFRA INVESTMENT MANAGERS PRIVATE LIMITED**

In terms of the Articles of Association of National Highways Infra Investment Managers Private Limited (the “Company”), the Search-cum-Selection Committee formed by the Government of India shall identify the Independent Directors to be appointed on the Board of Directors of the Investment Manager.

Further, in terms of the provisions of Section 149(8) of the Companies Act, 2013, the Company and the Independent Directors shall abide by the provisions specified in Schedule IV (Code for Independent Directors) to the Companies Act,2013.

### **Appointment:**

In terms of Section 149 of the Companies Act, 2013, an independent director shall hold office for a term upto 5 (five) consecutive years on the Board of the Company but shall be eligible for re-appointment on passing of special resolution by the Company and no independent director shall hold office for more than two consecutive terms, but shall be eligible for appointment after the expiration of three years of ceasing to become an Independent Director.

### **Fees and Remuneration:**

As Independent Directors, they 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.

The Independent Director may be entitled to remuneration as per applicable provisions of laws for the time being in force and in accordance with the criteria, as approved by the Board of Directors on the recommendation by the Nomination and Remuneration Committee, within the overall limits approved by the shareholders and the applicable legal provisions. The Independent Directors may also be paid remuneration by commission as per the provisions of the Act and approved by the Board and the Shareholders from time to time.

### **Reimbursement of Expenses:**

In addition to fees and remuneration described above, the Company shall reimburse traveling cost and other expenses, incurred for attending the Board/committee meetings on actuals.

### **Committee:**

During the tenure, the Independent Director may be required to serve on one or more of the Committees of the Board as may be established.

### **Expectation of the Board:**

**Time Commitment:** Independent Directors are expected to bring objectivity and independence of view to the Board’s discussions and to help in providing the Board with

effective leadership in relation to the Company's strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance. Independent Directors will be expected to attend Board, Board Committees to which they may be appointed and Shareholders meetings and to devote such time to duties, as appropriate for discharge of duties effectively.

**Disclosure of Interest:** Independent Director should give required disclosure as prescribed under the status. The Company Secretary will co-ordinate with Independent Director for getting such disclosures from time to time. Further furnish us the annual declaration that Independent Director meet the criteria of Independence as per Companies Act, 2013. Further update promptly, whenever there is change in circumstance which may affect status of Independence.

**Confidentiality:** Independent Director must apply the highest standard of confidentiality and not disclose to any person or Company, whether during the course of Appointment or at any time after termination, any confidential information concerning the Company and any group Companies with which you come into contact by virtue of your position.

**Role and functions, duties, guidelines of professional conduct** that is expected to be followed by an independent director of the Company:

The duties and responsibilities of an Independent Director are same as other directors.

Additionally, there are certain Role and functions, duties and guidelines of professional conduct envisaged in the Act read with Schedule IV-“Code for Independent Directors” under the Act and Rules made thereunder.

**D & O Insurance:**

The Company maintains a Directors and Officers Insurance Policy (D & O policy) for the personal liability of directors and officers for claims made against them while serving on the Board and / or as an officer of the Company.

**Professional Conduct:**

An Independent Director shall observe the Company's Code of Conduct and the requirements under the Act. Independent Director will also be required to furnish an annual affirmation of the Code of Conduct for Board members and Senior Management Personnel.

**Training Sessions/Familiarization Programme:**

The Company shall from time to time provide Independent Director with suitable sessions to familiarize with the Company, including briefing from the management, nature of the industry in which the Company operates, business model of the Company etc.

The Company also has a Familiarization Programme for Independent Directors to familiarizes the Independent Directors with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company through various programmes by way of presentations/interaction.

### **Evaluation Process:**

The performance evaluation of Independent Directors shall be done by the Board of Directors annually, without the participation of independent Director being evaluated. The Independent Directors will participate in reviewing the performance of non-independent directors and the Board as a whole, performance of Chairperson and other Independent Directors.

### **Prohibition of Insider Trading:**

The policy on Unpublished Price Sensitive Information *inter-alia* requires that price-sensitive information is not used or transmitted (except for legitimate purposes) and maintained securely. The Designated Persons (including the directors) are required to adhere to the said policy.

### **Disclosure of Interest:**

Independent Directors are required to disclose 'concern or interest' in any company or companies or bodes corporate, firms, or other Association of Individuals, which shall include the shareholding in such manner in accordance with the Companies Act, 2013, the Rules made there under and the Listing Agreement.

### **Resignation:**

- a. Independent Director may resign from the position at any time by a written notice to the Board.
- b. Continuation of appointment is contingent on Independent Director getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013 and the Articles of Association of the Company, from time to time in force.

### **Other terms:**

In terms of Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 ("InvIT Regulations"), the Investment Manager shall have not less than half of its directors as independent and not directors or members of the governing board of another InvIT.

### **General:**

All the terms as mentioned above including appointment, remuneration, professional conduct, role, duties and liabilities and evaluation shall be governed by the Act and rules made thereunder and the Corporate Governance requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with InvIT Regulations, as amended from time to time.