

## Terms and Conditions of appointment of Independent directors

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Date:

Address

Dear Sir/Madam,

### **Sub: Your appointment as an Independent Director on the Board of GMR Infrastructure Limited**

We are pleased to inform you that the shareholders of GMR Infrastructure Limited ('GIL' or 'the Company') at ....., have approved your appointment as an Independent Director of the Company to hold office for a term of .....

This letter of appointment sets out the terms of your appointment as an independent director, and are subject to the extant provisions of (i) the Companies Act, 2013 (the Act) (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations), as amended from time to time, and (iii) Articles of Association of the Company.

#### 1. Appointment

1.1 In accordance with the provisions of the Companies Act, 2013 and other applicable laws, you will serve as an Independent Director on the Board of Directors of GMR Infrastructure Limited for a period .....

1.2 In compliance with the provisions of Section 149 of the Companies Act, 2013, your directorship is not be liable to retire by rotation.

1.3 Your re-appointment at the end of the term shall be based on recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board of Directors and shareholders of the Company.

#### 2. Board Committees

As advised by the Board of Directors, during the tenure of office, you may be required to serve one or more Board Committees or any such Committee that is set up in the future. Your appointment on such Committee(s) will be subject to the applicable regulations.

#### 3. Role, duties and responsibilities

The Board as a whole is collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs. As an Independent Director, you have the same general legal responsibilities to the Company as any other Director consistent with the Act and the Rules made thereunder.

In addition to the above requirements for all Directors, you being an Independent Director shall abide by the Code for Independent Directors as laid down under Schedule IV of the Companies Act, 2013, or any amendments thereto and duties of Directors as provided in Section 166 of the Act and Listing Regulations. A copy of the Schedule is attached to this letter as Annexure - 1.

#### 4. Time Commitment

By accepting this appointment, you confirm that you are able to allocate sufficient time for the proper performance of your role, duties and responsibilities to meet the expectations to the satisfaction of the Board.

#### 5. Status of Appointment

5.1 You will not be an employee of the Company and this letter shall not constitute a contract of employment. As an Independent Director, you will be paid sitting fees, as may be decided by the Board from time to time, for attending the meetings of the Board and the Committees for which you are a member. The sitting fees presently paid to an Independent Director is as follows:

- Board Meeting and Audit Committee Meeting – Rs. 40,000 per meeting;
- Other Committee Meeting – Rs. 20,000 per meeting.

5.2 In addition to the sitting fees, the Company will, for the period of your appointment, reimburse you such fair and reasonable expenditure, as may be incurred by you while performing your role as an Independent Director of the Company.

#### 6. Induction Process

On your appointment, you will be invited to attend an induction programme, including briefings from management and site visits. Please avail yourself of these opportunities to familiarize yourself with the business and affairs of the Company, growth plans, the peculiarities of the industry in which the Company operates its goals and expectations and long term plans and objectives.

#### 7. Shareholding by Directors in the Company

Directors when buying and selling shares of the Company shall strictly observe the provisions of Articles of Association, "Code of Conduct" framed by the company and all relevant legislative and regulatory procedures including listing regulations requirements.

#### 8. Liability

The Company shall not be liable for acts, if any, carried out which do not form part of the normal fiduciary duties and responsibilities as Director of the Company or acts which arise out of negligence, willful omission or commission or willful concealment of fact(s) in prior knowledge or coming to the fore during the course of tenure as Director.

#### 9. Availability of Liability Insurance

The Company maintains a Directors and Officers liability Insurance Policy to pay for the personal liability of Directors and Officers for claims made against them while serving the Company. A copy of the same shall be provided to you.

#### 10. GIL Code of Conduct

During your appointment, you are required to adhere and abide to the standards prescribed in the GIL Code of Conduct and provide an annual declaration to its adherence to the Board in the format as attached in Annexure – 2.

#### 11. Conflict of Interest

11.1 It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to your appointment commencing, you are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment.

11.2 In the event that your circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgment that you are independent, this should be disclosed to both the Chairman and the Company Secretary.

#### 12. Confidentiality

All information acquired during your appointment is confidential to the Company and should not be released, either during your appointment or following termination (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.

Your attention is also drawn to the requirements under the applicable regulations and the GIL Code of Conduct which concern the disclosure of price sensitive information and dealing in the securities of the Company. Consequently you should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Chairman.

#### 13. Performance Appraisal / Evaluation Process

As a member of the Board, your performance will be evaluated on the basis of the criteria determined by the Nomination and Remuneration Committee. The criteria for performance evaluation, as laid down by the Nomination and Remuneration Committee shall be disclosed in the Company's Annual Report.

#### 14. Termination

- a. Your directorship on the Board of the Company shall terminate or cease in accordance with the applicable provisions of Companies Act, 2013 and the Listing regulations.
- b. You may resign from the directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation. The resignation shall take effect from the date on which notice is received by the Company or date, if specified by you in the Notice whichever is later.

15. Governing Law

This letter of appointment is governed by and shall be construed in accordance with, the laws of India, and your engagement shall be subject to the jurisdiction of courts in Bangalore, India.

16. Acceptance of appointment

We are confident that the Board and the Company will benefit immensely from your rich experience. If the terms of appointment relating to your appointment as an Independent Director of the Company are acceptable to you, please confirm your acceptance of these terms by signing and returning to us the enclosed copy of this letter.

Yours faithfully,  
for **GMR Infrastructure Limited**

**Mr. G.M. Rao**  
**Executive Chairman**  
**DIN No: 00574243**

**Acknowledgement:**

I hereby acknowledge receipt of and accept the terms set out in this letter.

Date :  
Signature :

Encl: Director Induction Kit

## **CODE FOR INDEPENDENT DIRECTORS (As per SCHEDULE IV of Companies Act, 2013)**

The Code is a guide to professional conduct for Independent Directors. Adherence to these standards by independent directors and fulfillment 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 fulfills the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
- (4) The appointment of Independent Directors shall be formalised 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 fulfills 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) review 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;

(c) assess 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.

Date:

To

The Board of Directors

.....,  
.....  
.....  
.....

Dear Sirs,

Subject: Affirmation on Compliance of Code of Conduct provisions as specified in schedule IV of the Companies Act, 2013

I, ....., do affirm, comply with the code of conduct provisions as specified in schedule IV of the Companies Act, 2013, for the financial year ended March 31, .....

Thanking you,

Yours sincerely,

Name: .....

Designation: Independent Director



### Declaration of Independence

*(Pursuant to sub-section (7) of Section 149 of the Companies Act, 2013)*

Date:

**To**  
**The Board of Directors**  
**GMR Infrastructure Limited**  
No. 25/1, Skip House  
Museum Road  
Bangalore – 560025

Dear Sirs,

Pursuant to sub-section (7) of Section 149 of Companies Act, 2013 ('Act') , I, xxxxxx hereby declare that I meet the criteria of independence in accordance with sub-section (6) of Section 149 and as per Listing Agreement , as stated below:

- a. I am / was not a promoter of the company or its holding, subsidiary or associate company;
- b. I am not related to promoters or directors in the company, its holding, subsidiary or associate company;
- c. I did not have any pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- d. None of my relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or fifty Lakhs whichever is lower during the two immediately preceding financial years or during the current financial year.
- e. I, neither by myself nor any of my relatives—
  - (i) holds or has held the position of a key managerial personnel or is or has been an employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding 2014-15;
  - (ii) am or have been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year 2014-15, of—
    - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
  - (iii) holds together with my relatives two per cent or more of the total voting power of the company; or
  - (iv) is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of the receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that hold two per cent or more of the total voting power of the company.
  - (v) is a material supplier, service provider or customer or a lessor or lessee of the Company;
- f. I am not less than 21 years of age.



I am giving this declaration to enable the Board for determining its composition as envisaged in Clause 49 of the Listing Agreement with the Stock Exchanges and further confirming compliance as per Section 149 of the Act read with the Rules made there under.

I hereby confirm adherence to the standards of Code of Conduct for Independent Directors prescribed in Schedule IV of the Act.

I undertake to keep the Board informed immediately about any change in the circumstances which may affect my status of independence as per Section 149 (6) of the Act.

Name: .....

Designation: Independent Director