



**TERMS AND CONDITIONS OF APPOINTMENT OF THE INDEPENDENT
DIRECTOR OF THE COMPANY**

[Adopted by the Board on 01/07/2024]

HIGHWAY INFRASTRUCTURE LIMITED

TERMS AND CONDITIONS OF APPOINTMENT OF THE INDEPENDENT DIRECTOR OF THE COMPANY

In accordance with the requirements of Schedule IV to the Companies Act, 2013 (the “Act”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”) following are the terms and conditions of appointment of the Independent Director of the Company:

CODE FOR INDEPENDENT DIRECTOR:

- The Company has relied on the declaration of the Independent Director (“ID”) that he/she meets the criteria of independence as provided in Section 149(6) of the Act as also in the Listing Regulations.
- The Independent Director will be required to abide by the guidelines as to professional conduct for independent directors as set out in Section 149(8) read with Schedule IV to the Act.
- The Independent Director will be required to comply with applicable provisions of any Code of Conduct framed by the Board for all Board members and Senior Management of the Company under the Listing Regulations.

TERM:

The Independent Director(s) of the Company shall be appointed for a term of 5 (five) consecutive years, by the Board of Directors and will not be liable to retire by rotation. 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 Directors continuing to meet the independence criteria.

RELATIONSHIP

The appointment constitutes neither a contract for services nor a service contract. There will be no relationship of employer and employee as a consequence of appointment as an Independent Director of the Company

COMMITTEES:

During the term of appointment, the Independent Director may be required to serve on one or more committees of the Board, i.e. Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders’ Relationship Committee or such other Committees, as the Board may decide.

The Independent Director is an independent non-executive director and will be identified as such in the annual report and other documentation of the Company. If circumstances change, and he/she believes that his/her independence will be in doubt, he/she should discuss the same with the Chairman of the Company as soon as practicable.

REMUNERATION:

As Independent Directors they shall be paid sitting fees for attending the meetings of the Board and the Committees, as may be applicable, 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, the Board, supported by the Nomination and Remuneration Committee, may consider the performance of the Company and their performance as evaluated by the Board.

Further, the Company may pay or reimburse to the Directors 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, court convened 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.

ROLES AND RESPONSIBILITIES

- During the Term, they shall promptly intimate the Company Secretary and the Ministry of Corporate Affairs in the prescribed manner, of any change in address or other contact and personal details provided to the Company.
- They 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 the notice is received by the Company or the date, if any, specified in the notice, whichever is later. Their directorship on the Board of the Company shall cease in accordance with law. The Company may disengage Independent Directors prior to completion of Term (subject to compliance of relevant provisions of the 2013 Act) upon the Director failing to meet the criteria for independence as envisaged in Section 149(6) of the 2013 Act or as per the applicable provisions of the Listing Regulations.
- Independent Directors are entrusted with the following responsibilities:
 - Provide independent judgment on strategic issues, performance, risk management, resource allocation, key appointments, and standards of conduct.
 - Objectively evaluate the performance of the Board and Management.
 - Scrutinize Management's performance against agreed goals and ensure accurate performance reporting.
 - Ensure the integrity of financial information and robustness of financial controls and risk management systems.
 - Safeguard the interests of stakeholders, particularly minority shareholders, and balance conflicting stakeholder interests.

- Determine appropriate remuneration levels and play a key role in appointing or recommending removal of senior management.

- Mediate in conflicts between Management and shareholders in the company's interest.

- Duties as an Independent Director include:

- Undertaking thorough induction and continuously updating skills and familiarity with the company.

- Seeking clarifications and professional advice when necessary, at the company's expense.

- Striving to attend all Board and committee meetings.

- Actively participating in Board and committee activities.

- Ensuring attendance at general meetings and addressing concerns through Board resolution.

- Staying well-informed about the company and its external environment.

- Avoiding unfair obstruction of Board or committee functions.

- Ensuring careful consideration and approval of related party transactions.

- Overseeing the effectiveness of the whistleblower function.

- Reporting concerns about unethical behavior or violations of the company's Code of Conduct.

- Protecting the legitimate interests of the company, shareholders, and employees within your authority.

- Maintaining confidentiality of company information unless approved by the Board or required by law.

TRAINING AND DEVELOPMENT

The Company shall conduct familiarization programs for its Independent Directors which may include any or all of the following:

- Board roles and responsibilities, whilst seeking to build working relationship among the Board members;
- Company's vision, strategic direction, core values, ethics and corporate governance practices;
- Familiarization with financial matters, management team and business operations;
- Meetings with stakeholders, visits to business locations and meetings with senior and middle management;
- The Company may, as may be required, support Directors to continually update their skills and knowledge and improve their familiarity with the Company and its Business.

RESTRICTIONS

With the exception of any directorships that the Independent Director currently holds, the Independent Directors are expected to refrain from taking on directorships during the term of their appointment in any company (in India or overseas) that is involved in the same or similar businesses as the Company, or in any company, business, or undertaking that is in competition with the Company, likely to compete with it, or that could otherwise potentially present a conflict with their duties to the Company. When in doubt, or if the Independent Director learns of any possible conflicts of interest, he or she should speak with the Company Chairman as soon as is reasonable.

- During the term of appointment, an ID shall not serve as an Independent Director in more than the prescribed number of companies and a committee member of more than the prescribed number of committees including chairmanship of such committees.
- During the term of appointment, Directors are prohibited from dealing in the Company's securities during the period when the trading window is closed. They are expected to comply with the Company's code for securities dealing as well as with the concerned provisions of the Insider Trading Laws and Regulations.
- During the term of Appointment,

(a) ID will not enter into any agreement for himself/herself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company; and

(b) ID will not enter into any such agreement referred to in (a) above without obtaining the prior approval from the Board of Directors as well as public shareholders of the Company.

CONFIDENTIALITY

The Independent Directors agree that both during and after the term of appointment, Independent Directors will not use for his/her own, or for another's benefit, or disclose or permit the disclosure of any confidential information relating to the Company, its holding, subsidiary or associate companies, which he / she may acquire by virtue of his/her position as an independent director of the Company, including without limitation, any information about the deliberations of the Board. The restriction shall cease to apply to any confidential information which may (other than by reason of the director's breach of this term), become available to the public generally.

PUBLICATION OF APPOINTMENT LETTER

In accordance with the provisions of Schedule IV to the Act and the Listing Regulations, the letter of appointment will be open for inspection by any member and the Company will also post the generic copy of this letter on its website <https://www.highwayinfrastructure.in/>

REVIEW / EVALUATION

Every year, the Board of Directors, its Committees, and ID's performances are assessed. If, in the interim, there are any matters which cause Independent Director concern about their role, the Independent Director should discuss them with the Executive Directors or other Independent

Director(s) as soon as you can. Appointment and re-appointment of Independent Director on the Board shall be subject to the outcome of the yearly evaluation process.

DISCLOSURES

Independent Director shall be required to submit certain information in the prescribed forms on a defined periodicity. Independent Director are required to disclose to the Company your interests in any matters (*excluding those matters which may be subject to legal professional privilege*) which affect your independence.

During tenure as an Independent Director the Independent Directors are required to give a declaration that he/she meets the criteria of Independent Director every financial year as provided under section 149 of the Companies Act, 2013.