



# ANSAL HOUSING & CONSTRUCTION LTD.

An ISO 9001:2008 Company

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CIN:L45201DL1983PLC016821

## TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS OF ANSAL HOUSING & CONSTRUCTION LTD.

### 1. Tenure of Appointment

In accordance with the provisions of the Companies Act, 2013 and the Rules made thereunder ("the Act"), Clause 49 of the Listing Agreement with the Stock Exchanges and other applicable laws, tenure of appointment of an Independent Director of the Company ("ID") will be for five years. Appointment as an ID will also be subject to the maximum permissible Directorships as per the provisions of the Act and the Listing Agreements with the Stock Exchanges, as amended from time to time.

### 2. Board Committees

An Independent Director may be required to serve on one or more Committees of the Board established by the Company.

### 3. Induction/Training

An Independent Director may be required to attend an orientation program as and when organized by the Company.

### 4. Time Commitment

Adequate Time commitment is anticipated from an Independent Director involving attendance at all Board meetings, Committee meetings in which he/she is a member and the general meetings of the Company. Every Independent Director would ensure to attend at least one separate meeting without the attendance of Non-Independent Directors and members of management and shall strive to be present at such meeting.

### 5. Functions, Duties and Liabilities

An Independent Director shall act in accordance with the Articles of Association of the Company and subject to the provisions of this Act. Detailed Functions, Duties, Liabilities and guidelines for professional conduct of IDs are given in **Annexure-I**.

### 6. Memberships on Board of other companies

It is expected from an Independent Director not to serve on the Boards of competing companies.



7. **Performance Evaluation**

The performance of IDs shall be evaluated annually according to the provisions of the Act/Listing Agreements with the Stock Exchanges.

8. An Independent Director shall adhere to Code for Independent Directors prescribed in Schedule IV of the Act.

9. **Compliance with various Codes of the Company**

An Independent Director would comply with the following Codes/Policies of the Company (including modifications therein, from time to time):

- (a) Code of Conduct for Directors and Senior Management
- (b) Code for Prevention of Insider Trading
- (c) Whistle Blower Policy of the Company.

10. **Remuneration**

An Independent Director will be entitled to the following remuneration:

- (a) **Commission** – Such amount of commission as may be determined by the Board and Shareholders of the Company from time to time.
- (b) **Sitting fees** – Such sum as may be decided by the Board of Directors from time to time for attending each Board and Committee meeting.

In addition to the above, an Independent Director would also be entitled to the reimbursement of expenses that may be incurred for participation in the Board and other Committee meetings of the Company on actual basis.

12. **Disclosures**

An Independent Director shall make all statutory disclosures/confirmations required to be made under applicable laws including but not limited to:

- i) Annual / Event based disclosures as per Act
- ii) Disclosures under Listing Agreements with the Stock Exchanges
- iii) Disclosure under Code for Prevention of Insider Trading
- iv) Disclosures under Code for Directors and Senior Management

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## Annexure-I

### Functions, Duties, Liabilities and Professional conduct of Independent Directors ("ID")

#### 1. Functions:

An ID is expected to:

- (a) 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;
- (b) Bring an objective view in the evaluation of the performance of board and management;
- (c) Scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (d) Satisfy himself on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- (e) Safeguard the interests of all stakeholders, particularly the minority shareholders;
- (f) Balance the conflicting interests of all stakeholders;
- (g) Determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and has a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- (h) Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

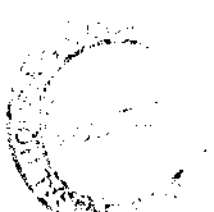
#### 2. Duties:

- (1) An ID shall act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the



Company, its employees, the shareholders, the community and for the protection of environment;

- (2) An ID shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (3) An ID shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- (4) An ID shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the Company.
- (5) An ID shall not assign his office and any assignment so made shall be void.
- (6) An ID is also expected to:-
  - (a) Undertake appropriate induction and regularly update and refresh his skills,
  - (b) Seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and option of outside experts at the expense of the Company;
  - (c) Strive to attend all meetings of the Board of Directors and of the Board Committees of which he is a member;
  - (d) Participate constructively and actively in the committees of the Board in which he is chairpersons or members;
  - (e) Strive to attend the general meetings of the Company;
  - (f) Ensure that where he has 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 his concerns are recorded in the minutes of the Board meeting;



- (g) keep himself well informed about the Company and the external environment in which it operates;
- (h) not unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (i) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure himself that the same are in the interest of the Company;
- (j) 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;
- (k) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- (l) act within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- (m) 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.

### **3. Liabilities**

An ID may be liable to penalty, if he contravenes the provisions relating to the duties of Directors prescribed under Section 166 of the Act.

As per the provisions of the Act, an Id shall be held liable, only in respect of such acts of omission or commission by the company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.

### **4. Professional Conduct**

An ID is expected to:-

- (a) Uphold ethical standards of integrity and probity;

- (b) Act objectively and constructively while exercising his duties;
- (c) Exercise his responsibilities in a bona fide manner in the interest of the Company;
- (d) Devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (e) Not allow any extraneous considerations that may vitiate his exercise of objective judgment of the Board in its decision making;
- (f) Not abusing position to the detriment of the Company or its Shareholders or for the purpose of gaining direct or indirect personal advantage for any associated person;
- (g) Refrain from any action that could lead to a loss of his independence;
- (h) Ensure that where circumstances arise which make him lose his independence , he must immediately inform the Board accordingly;
- (i) Assist the Company in implementing the best corporate governance practices.

