

**Terms and Conditions of appointment of Independent Directors**

### **Terms of Appointment**

The term of appointment of an Independent Director (ID) of DEE Development Engineers Limited (“Company”) is for a period of 5 consecutive years from the date of his/ her appointment.

Independent Director is not liable to retire by rotation.

Appointment of every independent director shall be approved by members of the Company.

Independent Director is not liable to retire by rotation.

Independent Directors will be eligible for re-appointment for another term of 5 consecutive years, after the completion of their first tenure of 5 years, subject to Board of Directors’ (Board) approval, recommendation of the Nomination and Remuneration Committee of the Company and the passing of a Special Resolution by members of the Company and disclosing such appointment in the Board's report.

### **Roles and Duties**

As an Independent Director they shall:

- a.) Act in accordance with the Company’s Memorandum of Association and Articles of Association.
- b.) Act in good faith in order to promote the objects of the Company for the benefit of the members of the Company as a whole, and in the best interest of the Company.
- c.) Discharge duties with due and reasonable care, skill and diligence.
- d.) Not involve in a situation in which he/ she may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- e.) Not achieve or attempt to achieve any undue gain or advantage either to himself/ herself or his/ her relatives, partners or associates.
- f.) Not assign office of Director and any assignments so made shall be void.
- g.) Comply with all applicable laws and regulations of all the relevant regulatory and other authorities as may be applicable to such Directors in their individual capacities.
- h.) Bring an objective view in the evaluation of the performance of the Board and the Management;
- i.) 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;
- j.) Strive to attend every meeting of the Board and of the Board committees of which you are a member;

- k.) Actively and constructively participate in the Board and Committees of the Board in which you may be a member or the Chairperson;
- l.) Report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics;
- m.) Not disclose any confidential information unless such disclosure is expressly approved by the Board or required by law.

Independent Directors shall also be taking sufficient care to perform duties specified in the Code for Independent Directors under Schedule IV of the Companies Act, 2013 and duties as defined in SEBI (Listing Obligation and Disclosure) Requirements, 2015 (including any modification or re-enactment of the same) that come with such an appointment along-with accompanying liabilities, and accountability under the Director's Responsibility Statement.

In addition to their role as Directors, pursuant to the requirements stated in the SEBI (Listing Obligation and Disclosure) Requirement, 2015, as amended (SEBI Listing Regulations), the Board may nominate Independent Director as the Chairman/ Member of other Board Committees, as it may deem fit from time to time.

#### **Expectation of the Board from the Independent Director**

An Independent Director is expected to bring objectivity and independence of view to the Board's discussions and to help provide 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.

The Board and Audit Committee of the Company shall meet at least four times in a year and Stakeholders' Relationship Committee also meet at least one time in a year and not more than one hundred and twenty days shall elapse between two meetings. Besides, there are other Committee meetings like Nomination and Remuneration Committee, which are ordinarily convened once in a year.

Independent Directors are expected to attend meetings of Board and Board Committees in which they are members and in Members meetings and to devote such time as appropriate to discharge their duties effectively.

By accepting the appointment, the Independent Directors confirm that they can allocate sufficient time to meet the expectations from their role to the satisfaction of the Board.

#### **Professional Conduct for Independent Directors**

##### **As an Independent Director, they shall:**

- uphold ethical standards of integrity and probity;
- act objectively and constructively while exercising your duties;
- exercise your responsibilities in a bona fide manner in the interest of the Company;

- devote sufficient time and attention to your professional obligations for informed and balanced decision-making;
- not allow any extraneous considerations that may vitiate your exercise of objective independent judgement in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgement of the Board in its decision-making;
- not abuse your 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;
- refrain from any action that could lead to a loss of your independence;
- ensure that if circumstances arise under, they lose independence, they will immediately inform the Board accordingly;
- assist the Company in implementing the best corporate governance practices.

### **Functions of the Board of Directors**

#### **Key functions of the Board of Directors**

- Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and divestments;
- Monitoring the effectiveness of the listed entity's governance practices and making changes as needed;
- Selecting, compensating, monitoring and, when necessary, replacing key managerial personnel and overseeing succession planning;
- Aligning key managerial personnel and remuneration of board of directors with the longer term interests of the listed entity and its shareholders;
- Ensuring a transparent nomination process to the board of directors with the diversity of thought, experience, knowledge, perspective and gender in the board of directors;
- Ensuring the integrity of the listed entity's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control and compliance with the law and relevant standards.
- Monitoring and reviewing board of director's evaluation framework.

### **Remuneration**

As an Independent Director you will be paid sitting fees for attending the meetings of the Board and the Committees of which you are a member. The sitting fees for attending each meeting of the Board and its Committees would be as determined by the Board from time to time. Currently, we pay a sitting fee of Rs. 25,000 per Board and Audit Committee meetings of the Board and Rs. 10,000 for other Committee meetings.

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

### **Other Terms and Conditions**

- During your Term, you shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company
- The terms of appointment contained in this letter along with your detailed profile shall be disclosed on the website of the Company and the relevant stock exchanges.
- Annually and when required, the Independent Directors meet without the presence of Non-Independent Directors and members of the Management. At this meeting, the Independent Directors inter alia evaluate the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluate the performance of the Chairman of the Board and discuss aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

- 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.