



## **NEW CONSOLIDATED CONSTRUCTION COMPANY LIMITED**

**CIN: U45202MH1946PLC005262**

### **Terms of Appointment of Independent Director**

New Consolidated Construction Company Limited (NCCCL) shall take into consideration the following terms and conditions for appointment of an Independent Director as per Part IV of Schedule IV (Code for Independent Directors) of the Companies Act, 2013:

#### **1. Term of Appointment :**

The term of appointment shall be for a period 5 years ("Term"), unless terminated earlier (suo moto or as per operation of law) as per provisions of this letter and the applicable laws.

The appointment is subject to the provisions of Companies Act, 2013. The Board may from time to time, based on functional expertise and availability, induct the Independent Director on other Committees of the Board, as it may consider appropriate.

The re-appointment at the end of the term shall be based on the recommendation of the Nomination and Remuneration Committee of the Board and subject to the approval of the Board and the Shareholders. The re-appointment would be considered by the Board based on the outcome of the performance evaluation process and you continuing to meet the criteria of Independence.

#### **2. Functions and Duties:**

- a) The Independent Director will have all the usual duties under Companies Act, 2013 including attendance at Board Meetings, the General Meetings, Meetings of Committees; Meetings of Independent Directors together with such additional duties as may be determined by the Board and which may relate to the business of the Company.
- b) The Independent Director will be required to serve on such committees as the Board may time to time appoint as such.
- c) The Independent Director is required to furnish a declaration every year confirming his/her eligibility to hold the office of Independent Director of the Company or whenever there is a change in the circumstances which may affect his/her status as an Independent Director.



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### **3. Remuneration and expenses:**

The Independent Director of the Company shall be paid sitting fees for attending the meetings of the Board and its Committees of which he/she is a member at the rates determined by the Board from time to time. The sitting fees per meeting currently are as under:

<b>Name of the Meeting</b>	<b>Sitting Fees</b>
Board Meeting	Rs. 50,000 per meeting
Committee (if any)	Rs. 25,000 per meeting

The fees and commissions will be subject to deduction of tax at source and levy of goods and service tax, at the rates and in the manner prescribed under the relevant laws. The tax deduction certificate for the tax deducted will be provided to you in accordance with the provisions of the Income Tax, Act, 1961.

### **4. Actions not to be performed by Independent Director:**

- As a director of the company he/she shall not assign office and any assignment so made shall be void.
- He/she is restricted from participating in the discussions on contracts or arrangements with parties where he/she is interested or concerned in any manner.
- He/she will promptly inform the Company about any changes, if any, in disclosure of interest and declarations furnished by you to the Company.

#### **NOTE:**

The Code of Conduct for the Independent Director is as prescribed in the Companies Act, 2013 ("the Act"). The Independent Director is requested to adhere to the said guidelines and the duties and responsibilities prescribed under the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, if any, for the time being in force) and the Rules made there under, during his/her tenure as Independent Director of the Company.



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### **CODE OF CONDUCT FOR INDEPENDENT DIRECTORS**

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:**

1. An independent director shall 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 to 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;
7. refrain from any action that would lead to loss of his independence;
8. where circumstances arise which make him lose his independence, he must immediately inform the Board;
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;



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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 his 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 he is chairperson or member;
5. strive to attend the general meetings of the company;
6. where he has any 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;
7. keep himself 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 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 behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
12. acting within this authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
13. not to 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.



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### **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 fulfils the conditions specified in the Act and the rules made there under and that the proposed director is independent of the management.
4. The appointment of independent Directors shall be formalized through a letter of appointment, which shall set out :
  - i. the term of appointment;
  - ii. 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;
  - iii. the fiduciary duties that come with such an appointment along with accompanying liabilities;
  - iv. provision for Directors and Officers (D and O) insurance, if any;
  - v. the Code of Business Ethics that the company expects its Directors and employees to follow;
  - vi. the list of actions that a director should not do while functioning as such in the company; and
  - vii. 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.



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### **V. 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 ["three months"] from the date of such resignation or removal, as the case may be.
3. Where the company fulfils 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.

### **VI. 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 other 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.