



Ahluwalia Contracts (India) Ltd.
Regd. Office: A-177, Okhla Industrial Area, Phase-I, New Delhi-20
CIN: L45101DL1979PLC009654

TERM AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

Dated:

Name & Address of Independent Director

Dear Sir/Madam,

Sub: **Appointment of Non-Executive Independent Director under Companies Act, 2013**

I am pleased to inform you that the Board of Directors ('the Board') and members of Ahluwalia Contracts (India) Ltd (ACIL) has approved your appointment as Non-Executive Independent Director ('Independent Director') of the Company. The terms of the Appointment, shall be subject to applicable laws including the Companies Act, 2013 and the rules made thereunder (the "Companies Act"), the Articles of Association of the Company, the Listing Agreements entered with Stock Exchanges where the equity shares of the Company are listed and on conditions as set out here in under:

This letter sets out the terms of your appointment / re-appointment as required under the Companies Act, 2013 & Rules made thereof. Please note that this is a contract of services & not contract for employment

1. APPOINTMENT

- 1.1 Your appointment as a Non-Executive Independent Director on the Board of Directors of the Company is subject to the provisions of the Companies Act, 2013.
- 1.2 The term Independent Director should be constructed as defined under the Companies Act, 2013 and the listing agreement.
- 1.3 In terms of the provisions of Section 149(13) of the Companies Act, 2013, your directorship is not subject to retirement by rotation.
- 1.4 The Company has adopted the provisions with respect to appointment and tenure of Independent directors which is consistent with the Companies Act, 2013 and the Listing Agreement. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. The Company is at liberty to disengage Non executive Independent Director earlier subject to compliance of relevant provisions of Companies Act, 2013.

2. BOARD/COMMITTEES

As per the Board' Current Assessment, you will be the member of the following committees:

The Board of Directors (the Board) may invite you to serve on one or more of the Board committees including the Audit Committee, Stakeholders' Committee, Nomination and Remuneration Committees, Corporate Social Responsibility Committee, Risk Management Committee, Whistle Blower (WB) Committee. Your appointment on such Committee(s) will be subject to the applicable regulations.



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The Board may constitute/reconstitute the said Committees from time to time and such changes shall be communicated to you promptly.

3. TIME COMMITMENT

- 3.1 As a Non -Executive Director you are 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 meets at least four times in a year. The Audit Committee also meets at least four times in a year. Besides, there are other Committee meetings like Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee meetings which are ordinarily convened as per requirements. You will be expected to attend meetings of the Board, Board Committees to which you may be appointed as member and Shareholders meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively. Ordinarily, all meetings are held in Delhi.
- 3.2 By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.

4. ROLE AND DUTIES

Your role and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 and the listing agreement. There are certain duties prescribed by the 'Act' for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:

- I. You shall act in accordance with the Company's Articles of Association.
- II. You 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 interest of the Company.
- III. You shall discharge your duties with due and reasonable care, skill and diligence.
- IV. You shall not involve yourself in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company. Please refer to clause 7 for full explanation on conflict of interest.
- V. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
- VI. You shall not assign your office as Director and any assignments so made shall be void.

In addition to the above requirements applicable to all Directors, the role of the Non-Executive Director has the following key elements:

Strategy: Non-Executive Directors should constructively challenge and help develop proposals on strategy;

Performance: Non -Executive Directors should scrutinize the performance of management in meeting agreed goals and objectives;



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Risk: Non-Executive Directors should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;

People: Non- Executive Directors are responsible for determining appropriate levels of remuneration of Executive Directors and have a prime role in appointing, and where necessary, removing Executive Directors and in succession planning;

Reporting: Non-Executive Directors take responsibility for the processes for accurately reporting on performance and the financial position of Company; and

Compliance: Non- Executive Directors should keep governance and compliance with the applicable legislation and regulations under review and the conformity of Corporate Governance practices to accepted norms.

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. You will be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board and approved by the Shareholders from time to time.
- 5.2 You will also be entitled to sitting fee for attending the meetings of the Board or Committee thereof either personally or through Video Conference or other audio visual means or for any other purpose whatsoever as may be decided by the Board of Directors from time to time. The remuneration and fee payable shall be subject to applicable tax deduction at source.

Any expenses incurred by the independent directors for attending the board meeting are reimbursed by the Company other than the seating fees.

6. REIMBURSEMENT OF EXPENSES:

In addition to the remuneration described in paragraph 5 the Company will, for the period of your appointment, reimburse you for travel, hotel and other incidental expenses incurred by you in the performance of your role and duties.

7. CONFLICT OF INTEREST:

- 7.1 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.
- 7.2 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 Secretary.

8. CONFIDENTIALITY:



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All information acquired during your appointment is confidential to 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. On reasonable request, you shall surrender any documents and other materials made available to you by Company.

9. PROHIBITION ON INSIDER TRADING AND CODE OF CONDUCT:

Your attention is also drawn to the requirements under the applicable regulations and the Company's Insider Trading Code which concern the disclosure of price sensitive information and dealing in the securities of 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 or the Secretary.

10. EVALUATION:

The Company will carry out an evaluation of the performance of the Board as a Whole, Board Committees and Directors on an annual basis. Your appointment and re-appointment on the Board shall subject to the outcome of the yearly evaluation process.

11. INDEPENDENT PROFESSIONAL ADVICE :

There may be occasions when you consider that you need professional advice in furtherance of your duties as a Director and it will be appropriate for you to consult independent advisers at the Company's expense. The Company will reimburse the full cost of expenditure incurred in accordance with the Company's policy.

12. DISCLOSURE OF INTEREST:

The Company must include in its Annual Accounts a note of any material interest that a Director may have in any transaction or arrangement that the Company has entered into. Such interest should be disclosed not later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record your interest appropriately and our records are updated. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.

13. TERMINATION:

- a. You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice on the Board.
- b. Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with Companies Act, 2013 and the Articles of Association of the Company, from time to time in force. You will not be entitled to compensation if the shareholders do not re-elect you at any time.
- c. Your appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

14. PUBLICATION OF THE LETTER OF APPOINTMENT:



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In line with the provisions of clause IV of sub clause 6 of Schedule IV, the Company will make public the terms and conditions of your appointment and will also arrange for it to be displayed on the Company's website.

15. GOVERNING LAW:

This agreement is governed by and will be interpreted in accordance with Indian law and your engagement shall be subject to the exclusive jurisdiction of courts of Delhi.

If you are willing to accept these terms of appointment relating to your appointment as a non-executive Independent Director of the Company, Kindly confirm your acceptance of these terms by signing and returning to us the duplicate copy of this letter.

Yours Sincerely

For and on behalf of Ahluwalia Contracts (India) Limited.

**Chairman & Managing Director
(Bikramjit Ahluwalia)**



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