

*GMR Hyderabad International Airport Limited*

*Terms & Conditions of Appointment of Independent Directors*



**GMR HYDERABAD INTERNATIONAL AIRPORT LIMITED**

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## INTRODUCTION

The appointment of an Independent Director is subject to the extant provisions of (i) the Companies Act, 2013 ("the Act"), (ii) Articles of Association of the Company, and (iii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred to as "SEBI (LODR) Regulations" or "Listing Regulations"].

The Company shall disclose the terms and conditions of appointment of Independent Directors on its website.

**"Independent Director"** means a non-executive director of the Company, not being a Managing Director, whole-time director, Nominee Director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence as laid down under section 149 read with Schedule IV of the Companies Act, 2013 and the Regulation 16 of Listing Regulations. However, pursuant to Regulation 16 of the Listing Regulations, in case of a 'high value debt listed entity', which is a body corporate, mandated to constitute its board of directors in a specific manner in accordance with the law under which it is established, the non- executive directors on its board shall be treated as independent directors.

### 1. APPOINTMENT

- 1.1 In accordance with the provisions of the Companies Act, 2013, Listing Regulations and other applicable laws the director will serve as an Independent Director (ID) on the Board of Directors ["Board"] of GMR Hyderabad International Airport Limited ("GHIAL" or "the Company") for a period as approved by the members of the Company in a General Meeting.
- 1.2 In compliance with the provisions of Regulation 25 of the Listing Regulations, the appointment, re-appointment or removal of an ID of the Company, shall be subject to the approval of shareholders by way of a special resolution.
- 1.3 In compliance with the provisions of Section 149 of the Companies Act, 2013, ID's directorship is not liable to retirement by rotation.
- 1.4 ID's re-appointment at the end of the term shall be based on recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board of Directors and shareholders of the Company and the provisions of the Companies Act, 2013 and Listing Regulations.

## 2. BOARD COMMITTEES

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As advised by the Board of Directors, during the tenure of their office, ID's may be required to serve on one or more Board Committees or any such Committee that is set up in the future. ID's appointment on such Committee(s) will be subject to the applicable regulations.

## 3. ROLE, DUTIES AND RESPONSIBILITIES

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The Board as a whole is collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs. As an Independent Director, ID has the same responsibilities legally to the Company as any other Director consistent with the Act and the Rules made thereunder and Listing Regulations.

In addition to the above requirements for all Directors, ID being an Independent Director shall abide by the Code for Independent Directors as laid down under Schedule IV of the Companies Act, 2013, or any amendments thereto and duties of Directors as provided in Section 166 of the Act and applicable provisions of the Companies Act, 2013 and Listing Regulations.

## 4. INDEPENDENT DIRECTORS MEETING

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The IDs of the Company shall hold at least one meeting in a financial year, without the presence of non-independent directors and members of the management and all IDs shall strive to be present at such meeting.

## 5. TIME COMMITMENT

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The ID by accepting this appointment, confirms that he / she will be able to allocate sufficient time for the proper performance of his / her role, duties and responsibilities to meet the expectations to the satisfaction of the Board.

## 6. STATUS OF APPOINTMENT

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6.1 The ID will not be an employee of the Company and the appointment letter shall not constitute a contract of employment. The ID will be paid sitting fees for attending the meetings of the Board and the Committees for which he/she is a member as may be decided by the Board. IDs shall not be entitled to any stock option.

6.2 In addition to the sitting fees, the Company will, for the period of his / her

appointment, reimburse such fair and reasonable expenditure, as may be incurred by him / her while performing the role as an ID of the Company.

## 7. FAMILIARISATION PROGRAMME

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On appointment, the ID will be invited to attend familiarization programme, including briefings from management and site visits. The ID will be provided with opportunities to familiarize with the:

- i. business and affairs of the Company and its growth plans.
- ii. roles, rights, responsibilities of IDs.
- iii. the peculiarities of the industry in which the Company operates and its goals.
- iv. expectations and long term plans and objectives of the Company.
- v. any other information as may be required.

## 8. LIABILITY

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The Company shall not be held liable for acts, if any, carried out which do not form part of the normal fiduciary duties and responsibilities as Director of the Company or acts which arise out of negligence, willful omission or commission or willful concealment of fact(s) in prior knowledge or coming to the fore during the course of tenure as Director.

An ID shall be held liable, only in respect of such acts of omission or commission by the Company which had occurred with his/ her knowledge, attributable through processes of Board, and with his/ her consent or connivance or where he/ she had not acted diligently with respect to the provisions Act and Listing Regulations.

## 9. AVAILABILITY OF LIABILITY INSURANCE

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A Directors and Officers Liability Insurance Policy is maintained, to pay for the personal liability of the Directors and Officers for claims made against him / her while serving the Company.

## 10. CODE OF CONDUCT

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During appointment, the ID is required to adhere and abide to the standards prescribed in the Code of Conduct for Directors and Senior Management and provide an annual declaration to its adherence to the Board.

## 11. CONFLICT OF INTEREST

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- 11.1 As an ID, he / she may have business interests other than those of the Company. As a condition to appointment commencing, he / she is required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of his appointment.
- 11.2 In the event that circumstances seems 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 the ID is not independent, this should be disclosed to both the Chairman and the Company Secretary.
- 11.3 Every ID shall, at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an ID, submit a declaration that he meets the criteria of independence as provided in Regulation 16 of Listing Regulations and as per section 149 of the Act and that he is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence.

## 12. CONFIDENTIALITY

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All information acquired during the appointment is confidential to the Company and should not be released, either during the appointment as an ID 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.

The ID's attention is also drawn to the requirements under the applicable regulations and the Code of Conduct. Consequently, ID should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Chairman.

## 13. PERFORMANCE APPRAISAL / EVALUATION PROCESS

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As a member of the Board, IDs performance will be evaluated on the basis of the criteria determined by the Nomination and Remuneration Committee. The criteria for performance evaluation, as laid down by the Nomination and Remuneration Committee shall be disclosed in the Company's Annual Report.

#### 14. TERMINATION

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- a. The Directorship of ID on the Board of the Company shall terminate or cease in accordance with applicable provisions of the Companies Act, 2013, Listing Regulations and any other such applicable regulations.
- b. The ID 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 notice is received by the Company or date, if specified by ID in the Notice whichever is later.
- c. No ID, who resigns from the Company, shall be appointed as an executive / whole time director on the Board of the Company, its holding, subsidiary or associate company or on the Board of a company belonging to its promoter group, unless a period of one year has elapsed from the date of resignation as an ID.
- d. An ID who resigns or is removed from the Board of the Company shall be replaced by a new ID by Company at the earliest but not later than three months from the date of such vacancy. However, where the Company fulfils the requirement of IDs in its Board without filling the vacancy created by such resignation or removal, the requirement of replacement by a new ID shall not apply.

#### 15. Governing Law

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The letter of appointment is governed by and shall be construed in accordance with the Companies Act, 2013, Listing Regulations and other applicable laws. Further, the ID's engagement shall be subject to the jurisdiction of courts in Hyderabad, India.