The Hand of God is above all Hands and in Him alone we Trust

ZR INFRA LIMITED

Terms and Conditions of Appointment of Independent Director

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The terms and conditions of appointment of the Independent Directors of the Company are in accordance with the requirements of Schedule IV to the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

A. COMPANIES ACT, 2013

I. Appointment / Re-appointment:

- The tenure of Independent Directors (ID) is limited to two consecutive five-year terms, followed by a three-year cooling-off period.
- An Independent Director is not liable to retire by rotation.

II. Remuneration:

- ID shall be paid sitting fees for attending Board and Committee meetings, as determined by the Board from time to time.
- The IDs will be entitled to claim reimbursement of all his/her travelling, hotel and other incidental expenses incurred by him/her in performance of duties as director of the Company, as per the provisions of the Act 2013.

III. Guidelines of Professional Conduct:

An independent director shall:

(1) 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 abuse his 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 an independent director lose his independence, the independent director must immediately inform the Board accordingly;

(9) Assist the company in implementing the best corporate governance practices.

IV. 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) Scrutinise 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; balance the conflicting interest of the stakeholders;

(6) 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;

(7) Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

V. Duties:

The independent Directors shall:

(1) Undertake appropriate induction and regularly update and refresh their 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 they are chairpersons or members;

(5) Strive to attend the general meetings of the company;

(6) Where they have 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 their concerns are recorded in the minutes of the Board meeting;

(7) Keep themselves 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 themselves 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 behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;

(12) Acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;

(13) 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.

B. SECURITIES AND EXCHANGE BOARD OF INDIA (LODR) REGULATIONS, 2015

Obligations under Regulation 25:

• An independent director shall be held liable, only in respect of such acts of omission or commission by the listed entity which had occurred with his/her knowledge, attributable through processes of board of directors, and with his/her consent or connivance or where he/she had not acted diligently with respect to the provisions contained in regulations.

• Every independent director 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 independent director, submit a declaration that he meets the criteria of independence as provided in clause (b) of sub-regulation (1) of regulation 16 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.

COMPANY POLICIES & CODE OF CONDUCT

Code of Conduct:

The Board has put in place a Code of Conduct for Board & Senior Management. Independent Directors shall abide by the Code. An annual affirmation of compliance is required to be provided by the Independent Directors on the same.

Stock Options:

IDs shall not be eligible to participate in Stock Options schemes (if any) of the Company.

Confidentiality:

All information acquired during the appointment is confidential to the Company and should not be released, either during the appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman unless required by law. On reasonable request, ID shall surrender any documents and other materials made available to them by the Company.

Unless specifically authorized by the Company, the ID shall not disclose Company and business information to public constituencies such as the media, the financial community, employees, members, agents, franchises, dealers, distributors and importers.

Termination:

- ID's directorship on the Board of the Company shall terminate or cease in accordance with law. Apart from the grounds of termination as specified in the Act, their Directorship may be terminated for violation of any provision of the Code of Conduct of the Company.
- They 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 the notice is received by the Company or the date, if any, specified by them in the notice, whichever is later.
- If, at any stage during the term, there is a change that may affect their status as an Independent Director as envisaged in Section 149(6) of the Act, or if applicable, they fail to meet the criteria for 'independence' under the provisions provided in SEBI LODR Regulations under clause (b) of sub-regulation (1) of regulation 16, they agree to promptly submit their resignation to the Company with effect from the date of such change.