

TERMS & CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

Term of Appointment:

Independent Directors (INDs) shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for reappointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of three years of ceasing to become an Independent Director.

Provided that Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

The maximum tenure of Independent Directors shall be in accordance with the Companies Act, 2013 and rules made thereunder, in this regard, from time to time.

Remuneration:

INDs will not be an employee of the Company and shall be paid sitting fees and be entitled to reimbursement of expenses for attending the meetings of the Board/Committee(s) of the Board and also entitled to profit sharing commission as may be decided by the Board from time to time.

Committees:

The Board of Directors may, if it deems fit, invite INDs for being appointed on one or more existing Board Committees or any such Committee that may be set up in the future. Your appointment on such Committee(s) will be subject to the applicable regulations pursuant to which the appointment is done.

Duties:

The INDs shall –

- a. Assist 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.
- b. Bring an objective view in the evaluation of the performance of Board and management.

- c. Scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.
- d. Satisfy yourself on the integrity of financial information and that financial controls and systems of risk management are robust and defensible.
- e. Safeguard the interests of all stakeholders, particularly the minority shareholders.
- f. Balance the conflicting interest of the stakeholders.
- g. 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.
- h. Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.
- i. Undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the Company.
- j. 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.
- k. Strive to attend all meetings of the Board and of the Board committees of which you are a member.
- l. Participate constructively and actively in the committees of the Board in which you are chairpersons or members.
- m. Strive to attend the general meetings of the Company.
- n. Where you 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 your concerns are recorded in the minutes of the Board meeting.
- o. Keep yourself well informed about the Company and the external environment in which it operates.
- p. Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board.
- q. Pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure yourself that the same are in the

interest of the Company.

- r. 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.
- s. Report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.
- t. Acting within your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees.
- u. 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.
- v. Maintain independent status and make requisite disclosures as prescribed under the applicable laws. INDs to also maintain confidentiality of information pertaining to the business and affairs of the Company
- w. Not indulge in any insider trading in the Company's shares, should not have any direct or indirect interest that conflicts with the interest of the Company, shall not achieve any undue gain or advantage from the Company either to himself/herself or to his/her relatives, partners or associates.
- x. Ensure compliance of the applicable laws including the prescribed Code for INDs under Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Separate meeting of the Independent Directors:

- (1) As an Independent Director or the Company you shall hold at least one meeting of the Independent Director in a year; without the attendance of non-Independent Directors and members of management and endeavour to attend the same;
- (2) The meeting of the Independent Director 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 view of executive Directors and non-executive Directors.
 - c. Assess the quality, quantity and timelines of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.



D&O Insurance:

The Company shall take D&O Liability Insurance Policy to indemnify the INDs.

Code of Conduct:

INDs shall abide by the Code of Conduct for Members of the Board and Senior Management as laid down by the Company.

Termination

INDs may resign from his/her position at any time and if they wish to do so, they are required to serve a written notice on the Board.

This Terms and Conditions are reviewed by the Board at its meeting held on January 22, 2024.

The Terms and Conditions are available on the Company's website and the link to the same is: http://nrail.com/Company_policies.html