

## **KONKAN RAILWAY CORPORATION LIMITED**

### **TERMS & CONDITIONS FOR APPOINTMENT OF INDEPENDENT DIRECTORS**

[In terms of Regulation 62(1A) of SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015]

The Part-time Non-Official Directors (Independent Directors) on their appointment on the Board of Konkan Railway Corporation Limited (the “Company”) shall abide by the following terms and conditions:

#### **1. Appointment**

- a. Pursuant to Article 65 of Articles of Association of the Company, the Part-time Non-Official Directors (Independent Directors) are appointed by the President of India acting through the Administrative Ministry, i.e., Ministry of Railways (MoR), Government of India. The appointment of Independent Director shall be for such period and as per such terms & conditions as mentioned in their respective Order issued by the MoR for their appointment as Independent Director.
- b. The term Independent Director should be in accordance with the definition provided under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, and DPE Guidelines.
- c. The Independent Directors may be inducted on the various Committees of the Board or any other Committee(s) as may be constituted from time to time by the Board of Directors to look after the functions as per the provisions of the Companies Act, 2013, the SEBI (LODR) Regulations, 2015, DPE Guidelines and other statutory provisions or any other specific purpose.

#### **2. Role, Functions and Duties**

Independent Directors shall be required to undertake and discharge role, functions and duties in accordance with Section 166 and the Code of Independent Directors as prescribed under Schedule IV of the Companies Act, 2013.

### **3. Remuneration and Reimbursement of Expenses**

- a. The sitting fees of Independent Directors is decided by the Board of Directors of the Company from time to time, as per the limit specified under the Companies Act, 2013 and the DPE Guidelines. At present, Independent Directors are paid sitting fees of ₹ 15,000/- per meeting for attending meeting of the Board of Directors and meeting of the Committees constituted by the Board excluding General Meeting.
- b. In addition to the Sitting Fees as mentioned above, they will be entitled for actual travelling, hotel, and other expenses incurred:
  - i. In attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or
  - ii. To visit any site/ project of the Company in connection with business of the Company.

### **4. Induction**

Independent Directors are briefed through formal meetings & company booklets by Management on their induction. They are invited to participate in training and familiarization programs organized by DPE, other Government and reputed organizations like SCOPE, IOD etc. Also, they are invited to visit to Corporate Office of KRCL, Regional Offices, KR Railway Stations & Project sites, etc.

### **5. Disclosure of Interest and declaration of independence**

Independent Director shall disclose his/her nature of interest as director, member, partnership in other companies, firms, body corporate etc. as per Section 184(1) of the Companies Act, 2013 and also give a declaration of independence that he/she meets the criteria of independence as per Section 149 (6) of the Companies Act, 2013 at the first meeting of the Board held after

his/her appointment and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances.

## **6. Termination**

- a. Independent Director may resign from the Directorship position at any time by serving a written notice to the MoR and / or the Board of Directors of the Company mentioning the reasons for resignation.
- b. The tenure of appointment of Independent Director is subject to any further order of the Ministry of Railways.

## **7. Confidentiality**

- a. All information in relation to the Company acquired during the appointment and tenure by an independent director is to be treated as confidential and should not be disclosed to third parties without the prior permission of the Chairman & Managing Director of the Company unless required by law.
- b. As a director, Independent Directors are subject to and bound by the prohibition and restrictions against insider trading and disclosure of unpublished price sensitive information, as prescribed under the Act and the regulations issued by Securities and Exchange Board of India ("SEBI").

## **8. Liability**

Subject to applicable law, for any breach of their duties, Independent Directors will be liable to consequences prescribed under applicable law and in relation to the Company, they would be liable for such acts of omission or commission by the Company which had occurred with their knowledge, attributable through Board processes, and with their consent or connivance, or where they have not acted diligently.

## 9. Insurance

The Company has obtained Directors and Officers Insurance Liability Policy for all the Directors of the Company including Independent Directors.

## 10. Miscellaneous

- a. The appointment of Independent Directors is subject to the maximum permissible limit of directorships of the Board, membership / chairmanship of the committees that one can hold as per the provisions of the Companies Act, 2013, SEBI (LODR) Regulations and other applicable laws.
- b. The Independent Directors will not be an employee of the Company and the appointment letter / letter of appointment issued to them as per provisions of Section 149 of the Companies Act, 2013 shall not constitute a contract of employment.

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