

Terms and conditions of appointment of Independent Directors

A. Appointment

The tenure of appointment as Independent Director shall be for an initial term of 3 (three) years subject to the approval of shareholders in the general meeting and based on the performance, the Board of NESL may reappoint him/her as Independent Director for second term of another three years. The appointment as Director (Independent) is governed by sections 149, 152 of the Companies Act, 2013 the Rules made thereunder and as per the Articles of Association of the Company read with Regulation 9 of the IBBI (IU) Regulations, 2017. The position as Director (Independent) in the company is in a fiduciary capacity.

Notwithstanding the other provisions of this letter, the appointment shall be subject to declaration that the director is not disqualified to continue as Director as per the clauses contained under Section 164 of the Companies Act, 2013 and in case of such disqualification, the office as director shall cease with immediate effect.

During the term of the appointment, director may be asked to serve on one or more of the Board Committees including Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee or any such other committee of the Board of the Directors from time to time and they will be provided with the terms of Reference for each of those committees.

The directors so appointed are considered to be an Independent Non- Executive Director and will be identified as such in the Annual Report and other documentation. If circumstances change, and if directors believe that possible independence may be in doubt, they should disclose the same to the Board and Chairman of the Company.

B. Time Commitment

By accepting the appointment, the directors confirm that they are able to allocate sufficient time to perform your role as an Independent Director of the Company.

Directors are required to attend and contribute their views and thoughts at the Board Meeting and Committee in which they are appointed as a member. Please note as per the provisions under the Companies Act, 2013 the attendance is required for at least one Board Meeting during every Financial Year in-person / through video conferencing as provided under the Companies Act, 2013.

C. Duties and responsibilities

1. As an Independent Director, the directors will be bound by the Code of conduct for Independent Directors as mentioned under Schedule IV of the Indian Companies Act, 2013.
2. As an Independent Director, the directors have the same general legal responsibilities to the Company as any other Director including all fiduciary duties, responsibilities, statutory obligations and liabilities of directors prescribed in law including the Indian Companies Act, 2013.
3. The Board as such is collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs. The brief description of the terms of reference of the Board of Directors are as follows:
 - a. To manage and direct the business and affairs of the Company;

- b. To manage, subject to the Articles of Association of the Company, its own affairs, including planning its composition, selecting its chairman, appointing Committees, establishing the terms of reference and duties of Committees and determining Directors' compensation;
 - c. To act honestly and in good faith in the best interests and objects of the Company, its employees, its shareholders, the community and for protection of environment;
 - d. To exercise due care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and shall also exercise independent judgment;
 - e. To participate directly or through its committees, in developing and approving the mission of the business, its objectives and goals and the strategy for their achievement;
 - f. To ensure congruence between shareholders' expectations, Company's goals, objectives and management performance;
 - g. To monitor the Company's progress towards its goals and to revise and alter its direction in light of changing circumstances;
 - h. To approve and monitor compliance with all significant policies and procedures by which the Company is operated;
 - i. To ensure that the Company operates at all times within applicable laws and regulations and ethical and moral standards;
 - j. To ensure that the performance of the Company is adequately reported to shareholders, other stakeholders and regulators on a timely and regular basis;
 - k. To ensure that the audited annual financial statements are reported fairly and in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India;
 - l. To ensure that any developments that have a significant and material impact on the Company are reported from time to time to the concerned authorities;
 - m. Not to involve in a situation which may have a direct or indirect interest that conflicts, or possibly may conflict with the interest of the Company;
 - n. Not to achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the Company;
 - o. Not to assign his office and any assignment so made shall be void; and
 - p. To act in accordance with the laws and regulations of the country and the Memorandum and Articles of Association of the Company.
4. In addition to the above responsibilities of all Directors of the Company, the role of the Independent Directors shall also have the following key elements:
- i. **Strategy and Business Development:** The Directors should constructively challenge and contribute to the overall strategy and to the business development initiatives of the Company by getting actively engaged with the Company in making introduction to potential clients in the key service areas of the Company;
 - ii. **Performance:** They should scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance; and
 - iii. **Risk:** They should satisfy yourself that financial information is accurate and that financial controls and systems of risk management are robust and defensible.

D. Other obligations and compliances

Directors will be required to execute / confirm with respect to the following documentation on a periodic basis:

- a. Confirmation that you are not disqualified to act as a Director of the Company in terms of the Indian Companies Act, 2013

- b. Declaration of Independence in terms of the Indian Companies Act, 2013
- c. Code of Conduct for Directors of the Company
- d. Code of Conduct for Independent Directors as per Schedule IV of the Indian Companies Act, 2013
- e. Disclosure of change in Interest in companies where you are appointed / ceased as a Director or Key Managerial Personnel
- f. Confirmation that your directorships in companies do not conflict with the interest of the Company
- g. Confirmation that you directly, indirectly, or on behalf of third parties, have a material interest in any transaction or matter directly affecting the Company.

E. Remuneration

The Company pays sitting fee for attending each Board and Committee Meetings as follows:

- i. INR 50,000 (Rupees Fifty Thousand only) for attending each Board/Committee (if appointed as a member) meeting in-person/ Audio Visual Mode.

Attendance through video-conferencing or by other audio-visual means in terms of the Indian Companies Act, 2013 and the rules made thereunder shall also be considered as valid presence and will qualify for the payment of above sitting fees.

The amount of sitting fees will be decided by the Board from time to time.

- ii. The Company has made provisions for Directors and Officers (D&O) insurance policy which covers the risk of breach of duty, neglect or omission to act, error or misstatement or misleading statement and failure to supervise, etc.
- iii. In addition to the sitting fee mentioned above, the Company will reimburse the official travel expenses, hotel expenses, and all other reasonable out of pocket expenses for participating in Board and other Committee meetings and other Business meetings.

F. Confidentiality and Non-Disclosure

- i. Directors must apply the highest standards of confidentiality and not disclose to any person or company (whether during the course of the appointment or at any time after its termination) any confidential information concerning the Company and any Group Companies (including wholly owned subsidiaries) with which the directors come into contact by virtue of the position as an Independent Director of the Company.
- ii. Any information concerning the Company's business, its customers, suppliers, etc. which is not in public domain and to which all employees do not have access, should be considered confidential for the purpose and should be held in confidence, unless authorised to do so and when disclosure is required as a requirement of law.