JAIPRAKASH POWER VENTURES LIMITED

Terms and Conditions of appointment of Independent Directors

1. RELATIONSHIP WITH THE COMPANY

The relationship of the Independent Directors with the Company will be that of an office holder and not one of contract for employment in the Company.

2. APPLICABLE PROVISIONS

The appointment of the Independent Directors is subject to the extant provisions of the (i) applicable laws including the Companies Act, 2013 ('the Act') read with Clause 49 of the Listing Agreement (as amended from time to time) and (ii) the Articles of Association of the Company (the "AOA").

3. APPOINTMENT & TENURE

The appointment will be for a period of 3 (three) consecutive years unless vacated and/or terminated earlier, as per provisions of the applicable laws. This tenure is subject to meeting the criteria for being an Independent Director and not being disqualified to be a Director under applicable laws on a continuous basis.

The Independent Directors are not liable to retire by rotation.

The appointment and continuation of office is subject to the applicable provisions of the Act and the Listing Agreement.

4. BOARD COMMITTEES

As advised by the Board, during the tenure of office, the Independent Directors may be required to serve on one or more Committees of the Board constituted by the Company ("Committees"). Consequent upon their appointment to one or more Committees, the Independent Directors will be provided with the terms of reference of the relevant Committee.
Currently the Board has the following Committees:

(i) Audit Committee;
(ii) Nomination & Remuneration Committee;
(iii) Stakeholders' Relationship Committee;
(iv) Corporate Social Responsibility Committee; and
(v) Risk Management Committee

The Board may invite the Independent Directors for being appointed on one or more existing Board Committees as specified above or any such Committee that may be set up in the future.

5. TIME COMMITMENT

As an Independent Director, the Independent Directors are expected to bring objectivity and independence of view to the Board's deliberations and to help the Board with effective overview of the Company's strategy, performance, social commitments and risk management and ensure high standards of financial integrity and governance. They are required to perform the duties expected from the Independent Directors including (without limitation) attending Board/ Committee meetings of which they are a member and shareholders meetings and to devote such time, as appropriate, for them to discharge their responsibilities and duties effectively.

6. ROLE & DUTIES

The role and duties will be as set out under the Act and the Listing Agreement including but not limited to the fiduciary duties associated with the office of an Independent Director. An Independent Director (and without prejudice to the roles, functions and duties specified in Schedule IV of the Act), shall:

(i) act in accordance with the Articles of Association (AOA) of the Company;
(ii) act in good faith in order to promote the objectives of the Company for the benefits of its members as a whole and in the best interest of the Company;
(iii) discharge responsibilities and duties with due and reasonable care, skill and diligence by exercising independent judgement;
(iv) strive to attend every meeting of the Board and its Committee(s) of which he is a member and general meetings;
(v) strive to attend any other meetings, where his attendance is solicited;
(vi) provide strategic direction and also act as a constructive critic in evaluating the proposal and plans on strategic direction;
(vii) evaluate and scrutinise the performance of the management in meeting agreed goals and objectives;
(viii) satisfy himself on the integrity of financial information and that financial controls and systems of risk management are robust and compliant with applicable laws;
(ix) keep himself well informed about the Company and the external environment in which it operates; and
(x) ensure that the vigil mechanism policy of the Company is implemented and report concerns about any unethical behaviour, actual or suspected fraud or violation of the Code of Conduct (as defined below).

7. ADHERENCE TO THE CODE OF CONDUCT

During the tenure as an Independent Director of the Company, the Independent Director is required to comply and abide with the provisions of the Act and the Listing Agreement including the following:

(i) Code for Independent Directors outlined in Schedule IV of the Act and duties of Directors as provided in the Act including Section 166 of the Act and Clause 49 of the Listing Agreement;
(ii) Code of Conduct for Board and Senior Management framed under the Listing Agreement; and
(iii) Policy for Prevention of Insider Trading framed by the Company under the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 ("Insider Trading Code").

8. PROFESSIONAL CONDUCT AND CONFLICT OF INTEREST

(i) Independent Directors are also required to ensure that they do not participate in or vote at any meetings of the Board/Committees wherein they are an interested director;
(ii) Independent Directors shall not achieve or attempt to achieve any undue gain or advantage either for themself or for their relatives, partners, or associates;
(iii) Independent Directors shall not allow any extraneous considerations to vitiate their exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring with or dissenting from the collective judgment of the Board in its decision making;
(iv) Independent Directors shall not abuse their position to the detriment of the Company or its shareholders;
(v) Independent Directors shall not unfairly obstruct the functioning of the Board or Committee meeting(s);

(vi) Independent Directors shall not put themselves in a position which results in a direct or indirect conflict of interest or possible conflict of interest with the Company; and

(vii) Independent Directors shall not assign their office of an Independent Director and any assignments so made shall be void.

9. CONFIDENTIALITY

(i) All information including commercial secrets, technologies, advertising and sales promotion plans related to the Company and / or Jaypee Group that is acquired by Independent Directors or provided to them during their tenure is confidential to the Company and should not be released/disclosed either during their tenure or following termination (by whatever means) to third parties without prior authorisation by the Board, unless such release/disclosure is required by law or by the rules of any stock exchange or regulatory body/authority. Accordingly, Independent Directors are expected to maintain all agenda, notes, data, records and other documents in any way relating to the Company or the Company's business interest, as highly confidential and maintain them as inaccessible to others;

(ii) Independent Directors attention is also drawn to the requirements under the applicable regulations and the Insider Trading Code in relation to the disclosure of unpublished price sensitive information and dealing in the securities of the Company. Consequently, Independent Directors should avoid making any statements or performing any transaction that might risk a breach of these requirements without prior clearance from the Board; and

(iii) At all times and notwithstanding their ceasing to be an Independent Director of the Company, Independent Directors are expected not to use such information for personal or professional benefit or disclose such confidential information to third parties who may use the same for their personal or professional benefit, or otherwise engage in any activity that would constitute insider trading.

10. DISCLOSURES OF INTEREST

(i) It is accepted and acknowledged that Independent Directors may have business interests other than those of the Company. As a condition of their appointment, they are required to submit various disclosures/ declarations under applicable laws and as per Company's policies including declarations with respect to any directorships, appointments and interests to the Board in writing. In no event Independent Directors will serve as an Independent Director in more than seven listed companies including the Company and if they were to be appointed as a whole time director in any listed company, they will not serve as an Independent Director in more than three listed companies including the Company. Further, in no event they shall hold directorship in companies beyond the limits specified in Section 165 of the Act;

(ii) During the term of their appointment, Independent Directors agree to promptly notify the Company of any change in their directorships and provide such disclosure and information as may be required under the applicable laws; and

(iii) Independent Directors shall refrain from any action that would lead to loss of their independence. In the event that their circumstances seem likely to change which might give rise to conflict of interest or such change in their circumstances could lead the Board to revise its judgement regarding their independence, such changes or possible changes in their circumstances should be disclosed to the Board promptly.

11. EVALUATION

The performance of the member of the Board shall be evaluated on an annual basis. The performance evaluation of Independent Directors shall be done by the entire Board, excluding the director being evaluated. The continuation/ re-appointment of Independent Directors on the Board shall be subject to the outcome of the annual evaluation process.

12. INDEPENDENT DIRECTORS' MEETING

A separate meeting of the Independent Directors will be held at least once every year without the attendance of the non-independent directors and the members of the management. The Company expects all the Independent Directors to strive to be present at this meeting.

The meeting 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 views 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.

13. LIABILITY UNDER THE ACT

Pursuant to the provisions of the Act, an Independent Director will be liable only in respect of such omission or commission by the Company which had occurred with his/ her knowledge, attributable through Board processes and with his/her consent or connivance or where he/ she had not acted diligently.

14. DIRECTORS AND OFFICERS (D&O) LIABILITY INSURANCE POLICY

The Company proposes to have a Directors and Officers (D&O) liability insurance policy in place under which all directors of the Company would be covered.

15. REMUNERATION

As an Independent Director on the Board, he shall be entitled to:

(i) Sitting fee as may be decided/ modified by the Board from time to time, for attending each Board meeting and meetings of the Committee(s) thereof.

(ii) The Company may pay or reimburse such fair and reasonable expenditure, as may have been incurred by Independent Directors while performing their role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by them for attending Board/ Committee meetings, General Meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training organized by the Company for its directors, in the furtherance of their duties as an Independent Director.

16. TERMINATION

(i) Independent Directors may resign from their position at any time by giving a notice in writing to the Company stating reasons of 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.

(ii) Independent Directors shall cease to hold office of Independent Director if they fail to meet the criteria for an Independent Director mentioned in the Act and/or the Listing Agreement and/or if otherwise disqualified and they shall forthwith intimate the Company of such an event. In such an event, they agree to promptly submit their resignation to the Company with effect from date of such change.

(iii) The Company can also terminate directorship of Independent Directors in accordance with the procedure set out in Section 169 of the Act. Apart from the grounds of termination as specified in the Act, their directorship may be terminated for violation of any provisions of this appointment letter.

17. CO-OPERATION

In the event of any claim or litigation against the Company, based upon any alleged conduct, act or omission on part of Independent Directors during their term, they agree to render all reasonable assistance and cooperation to the Company and provide such information and documents as are necessary and reasonably required by the Company or its counsels, during or after their tenure with the Company.

18. CHANGES IN PERSONAL DETAILS

During their term as an Independent Director, they shall promptly intimate the Company in the prescribed manner, of any change in address or other contact or personal details provided by them to the Company.

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