

Terms of appointment as an Independent Director of East-North Interconnection Company Limited (“the Company”)

1. Board Committees:

The Board of Directors (the Board) may, if it deems fit, invite Independent Director for being appointed on one or more of the Board Committees that is set up in the future. Appointment of Independent Director on such Committee(s) will be subject to the applicable regulations.

2. Duties:

An Independent Director is expected to bring objectivity and independence of view to the Board’s discussions and to help provide the Board with effective leadership in relation to the Company’s strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance. The Board meets at-least four times in a year. Independent Director is expected to attend Board, Board Committees to which he may be appointed and Shareholders meetings and to devote such time to his duties, as appropriate for him to discharge his duties effectively.

By accepting the appointment, Independent Director confirms that he will be able to allocate sufficient time to meet the expectations from his role to the satisfaction of the Board. In addition he will be expected to spend an appropriate period of time preparing for each meeting. By accepting the appointment, he confirm that he is able to allocate sufficient time to meet the expectations of his role. He also acknowledge that there may be circumstances in which he will need to devote additional time to his duties such as when the Company is undergoing a period of particularly increased activity, or as a result of some major difficulty with one or more of its operations. In these circumstances Independent Director shall have to work such additional hours without any additional remuneration as may be required for the proper performance of his duties.

3. Role & Responsibilities:

Independent Directors have the same general legal responsibilities to the Company as that of any other director. The Board as a whole, is collectively responsible for ensuring the success of the Company by directing and supervising the Company’s affairs.

The role and responsibilities will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013. All Directors must take decisions objectively in the interests of the Company. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:-

- a. To act in accordance with the Company’s Articles of Association.
- b. To act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interest of the Company.
- c. To discharge the duties with due and reasonable care, skill and diligence.
- d. not involve himself in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.

- e. not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners or associates.
- f. not assign his office as Director and any assignments so made shall be void.
- g. to provide entrepreneurial leadership of the Company within a framework of prudent and effective controls which enable risk to be assessed and managed;
- h. to set the Company's strategic aims, ensures that the necessary financial and human resources are in place for the company to meet its objectives, and reviews management performance;
- i. to set the Company's values and standards and ensure that its obligations to its shareholders and others are understood and met.

In addition to the above requirements applicable to all Directors, the role of the Independent Director has the following key elements:

Strategy: Independent Directors should constructively challenge and help develop proposals on strategy;

Performance: Independent Directors should scrutinize the performance of management in meeting agreed goals and objectives;

Risk: Independent Directors should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;

People: Independent Directors are responsible for determining appropriate levels of remuneration of Executive Directors and have a prime role in succession planning;

Reporting: Independent Directors take responsibility for the processes for accurately reporting on performance and the financial position of the Company; and

Compliance: Independent Directors should keep governance and compliance with the applicable legislation and regulations under review and the conformity of practices of the Company to accepted norms.

Independent Director shall abide by the "Code for Independent Directors" as outlined in Schedule IV to section 149(8) of the Companies Act, 2013 and duties of directors provided in the Companies Act, 2013.

Independent Director will also be responsible for providing guidance in the area of his expertise.

4. Remuneration:

Independent Director will not be an employee of the Company and this letter shall not constitute a contract of employment. He will be paid such remuneration by way of sitting fees for attending meetings of the Board and its Committees as and when constituted, as may be decided by the Board.

Aforesaid payments will be subject to necessary statutory deductions, as applicable.

In addition to aforesaid, the Company shall reimburse the Independent Director for all reasonable out of pocket expenses necessarily incurred in carrying out his duties. He should submit any details of expenses incurred to the Company.

5. Insurance

Sterlite Power Transmission Ltd., holding Company has taken a Directors' and Officers' liability insurance which is applicable to its subsidiary companies and it is intended that the holding Company will assume and maintain such cover for the full term of his appointment.

6. Disclosure of other directorships and business interests:

As a condition to appointment commencing, Independent Director is required to declare directorships, appointments and interests and provide such other disclosures and information to the Board in writing in the prescribed form at the time of his appointment.

In the event that the circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgement that Director is independent, this should be disclosed to the Board.

During the Appointment, Independent Director will consult with any of the Director/Secretary of the Company prior to accepting any other (or further) directorships of public limited companies or any major external appointments and he must not take up any office or employment with, or have any interest in, any firm or company which is or may be in direct or indirect competition with the Company.

7. Changes in personal details:

During the term, Independent Director shall promptly intimate any of the Director /Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contract and personal details provided to the Company.

8. 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 Board unless required by law or by the rules of any stock exchange or regulatory body. On reasonable request, Independent Director shall surrender any documents and other materials made available to him by the Company.

Attention of the Independent Director is also drawn to the requirements under the applicable regulations which concern the disclosure of price sensitive information and dealing in the securities of the Company. Consequently he should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Board.

9. Training:

Independent Director will be entitled to the benefit of a training program to familiarize him with the business and affairs of the Company, growth plans, the peculiarities of the industry in which the Company operates, its goals and expectations and long-term plans and objectives.

10. Termination:

- a. The directorship on the Board of the Company shall terminate or cease in accordance with law.
- b. Independent Director may resign from his position at any time and should he wish to do so, he is requested to serve a reasonable written notice on the Board.
- c. Continuation of his appointment is contingent on him getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013 and the Articles of Association of the Company, from time to time in force.
- d. If at any stage during the term, there is change that may affect his status as an Independent Director as envisaged in Section 149(6) of the Companies Act, 2013, or if applicable, he fail to meet the criteria for independence under the provisions of Companies Act, 2013, he shall promptly submit his resignation with effect from the date of such change.
- e. On termination of the Appointment he will deliver to the Company all books, documents, papers and other property of or relating to the business of the Company or any Group Company which are in his possession, custody or power by virtue of his position as a Non-Executive Independent Director of the Company.

11. Co-operation:

In the event of any claim or litigation against the Company based on any alleged conduct, act or omission on his part during his term, Independent Director shall render all reasonable assistance and cooperation to the Company and provide such information and documents as are necessary at the request of the Company or its counsel.