

KW HOMES PRIVATE LIMITED

TERMS AND CONDITIONS FOR APPOINTMENT OF INDEPENDENT DIRECTOR

Term of Appointment:

The term of appointment of an Independent Director (ID) of the Company is for a period of 5 consecutive years from the date of his/ her appointment. Independent Director is not liable to retire by rotation.

Appointment of every independent director shall be approved by members' of the Company.

Independence :

Independent Director will act as per the provisions of the Companies Act, 2013 and will be identified as such in the annual report and other documentation of the Company. If circumstances change and they believe it may not be possible for them to retain the independence, then they should discuss this with the Chairperson as soon as practicable followed by a declaration to the Board in this regard.

Conflict of Interest:

By accepting the appointment, they will be deemed to have confirmed that any other position they hold including the directorships in other organizations, shall not raise any conflicts of interest in relation to the appointment as an Independent Director of the Company. If any conflict or potential conflict during the tenure, they will be expected to notify the Chairperson followed by a declaration to the Board in this regard.

Time Commitment :

It is difficult to be precise about the time commitment required to fulfil the role of an Independent Director as the demands will clearly vary from year to year and will depend on a range of factors, in particular the extent of the involvement in Board and Committees. They should aim to attend regular and emergency Board meetings, Board Committee Meetings in which they hold Chairmanship/Membership, if any and General Meeting.

Role and Functions :

As an Independent Director, one's role shall inter-alia include:

- 1) help 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;
- 2) bring an objective view in the evaluation of the performance of board and management;
- 3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- 4) satisfy himself/herself on the integrity of financial information and that financial controls and the systems of risk management are adequate;
- 5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- 6) Balance the conflicting interest of the stakeholders;

- 7) 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;
- 8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.
- 9) Any other matters as may prescribed from time to time under the relevant statutes

Duties:

As an Independent Director, duties shall inter-alia include:

- 1) to act in accordance with the Articles of Association the Company;
- 2) 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 interests of the company, its employees, the shareholders, the community and for the protection of environment;
- 3) to exercise the duties with due and reasonable care, skill and diligence, and independent judgment;
- 4) not achieve or attempt to achieve any undue gain or advantage either to himself/herself or to relatives, partners, or associates;
- 5) undertake appropriate induction and regularly update and refresh the skills, knowledge and familiarity with the Company;
- 6) 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;
- 7) strive to attend all meetings of the Board of Directors and of the Committees of which Independent Director will be a member, if any;
- 8) strive to attend the general meetings of the Company;
- 9) where they 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 their concerns are recorded in the minutes of the Board meeting;
- 10) keep well informed about the Company and the external environment in which it operates; 11) not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
- 12) 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;
- 13) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's policy;
- 14) 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.

Professional Conduct :

As an Independent Director of the Company, they must follow the following principles while fulfilling the fiduciary responsibility:

- (1) uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising the duties;
- (3) exercise the responsibilities in a bona fide manner in the interest of the Company;
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;

- (5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (6) not abuse the position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (7) refrain from any action that would lead to loss of his independence;
- (8) where circumstances arise which make an independent director lose the independence, the independent director must immediately inform the Board accordingly;
- (9) assist the company in implementing the best corporate governance practices.

Code of Conduct:

During the appointment, Independent Director are required to comply with any relevant regulations as may be applicable under the relevant statutes and such other requirements as the Company/Board of Directors may from time to time specify including the Code of Conduct for Board Members and Senior Management of the Company and Code for Independent Directors prescribed under the Companies Act, 2013, as amended from time to time.

Confidentiality:

Independent Director 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 the cessation), any confidential information concerning the Company and any Group Companies with which they come into contact by virtue of the position as an Independent Director of the Company.

On termination of the Appointment, Independent Director 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 possession, custody or power by virtue of the position as an Independent Director of the Company.

Membership of Committees:

This letter refers to the appointment as an Independent Director of the Company. Independent Director may also be required to serve on various Committees as per the terms of reference approved by the Board from time to time.

Remuneration:

Independent Director will entitled only to sitting fees as may be decided by the Board of directors from time to time for attending the meetings of the Board and the Committee(s) in which they hold membership/chairmanship, if any.

Further, independent Director will also be entitled for reimbursement of actual expenses for participation in the Board and other Committee meetings in which they hold chairmanship/membership, if any and profit related commission as may be approved by the members of the Company. Reimbursement/payment of travel and living expenses shall be as per Company's Policy.

Governing Law:

This Letter and any non-contractual obligations arising out of or in connection with this Letter are governed by and are to be construed in accordance with applicable Laws of India and agree to submit to the exclusive jurisdiction of courts at New Delhi, India.