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Date:

Subject: Letter of Appointment as an Independent Director

Dear Sir/ Ma'am

We are pleased to inform you that due to your accomplishments and the wide range of experience and expertise that you can offer, upon the recommendation of the Nomination & Remuneration Committee, the Board of Directors of L&T Metro Rail (Hyderabad) Limited ("the Company") has approved your appointment as an Independent Director of the Company with effect from by means of resolution passed on on the basis of the performance evaluation report and subject to the approval of shareholders.

Pursuant to the requirements of Schedule IV of the Companies Act, 2013 ("the Act") pertaining to the Code of Independent Directors, we intend to issue this formal letter of appointment.

1. TENURE OF APPOINTMENT:

You will serve as an Independent Director for a term of five consecutive years commencing from up to

Your appointment is not a contract of employment of the Company. Your appointment is subject to the approval of shareholders.

2. TERMS OF APPOINTMENT:

We thank you for your confirmation that you meet the independence criteria as envisaged in section 149(6) of the Companies Act, 2013 ("Act").

Declarations to be made on appointment:

Pursuant to your appointment as an independent director in the Company, you will be required to furnish the declarations and documents as per the forms shared with you.

Membership of other boards:

You can continue on the Boards of other companies. However, there should not be any conflict of interest vis-à-vis our Company. Upon joining as member of another Board, you will be required to inform the Company in the respective form that will be shared with you.

Re-appointment:

On the conclusion of the first term of appointment of five consecutive years, you may further be appointed for a term of five consecutive years subject to the recommendation of the Nomination and Remuneration Committee, approval of the Board on the basis of the performance evaluation report and approval of shareholders by way of a special resolution.

Retirement:

As provided under the Act, you will not be liable to retire by rotation at any General Meeting of the Company.

3. COMMITTEES OF THE BOARD:

The Company has the following Committees:

- a) Audit Committee
- b) Nomination & Remuneration Committee
- c) Risk Management Committee
- d) Stakeholders Responsibility Committee

Brief descriptions of the Committees including their terms of reference are enclosed with this letter as Annexure 1.

You may be requested:-

- a) To be a Member/Chairman of any one or more Committees/Sub-committees of the Board which may be constituted from time to time.
- b) To be a member on the Board of one or more of the Company's subsidiary.

Presently you are a member of the Audit Committee.

4. ABOUT THE COMPANY:

A brief note providing information about the Company, is enclosed with this letter as Annexure 2.

5. DEVOTION OF TIME:

You are requested to devote sufficient time, as may be appropriate and essential in line with your responsibilities and duties as an Independent Director.

6. REMUNERATION:

Sitting fees will be per meeting of the Board, per meeting of the Audit Committee and the Nomination and Remuneration Committee and for meeting of the other Board Committee(s). You will be entitled to the reimbursement of expenses incurred by you for attending the Board meetings of the Company.

7. ROLES & FUNCTIONS:

As an Independent Director, you are requested to –

- a) 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;
- b) Bring an objective view in the evaluation of the performance of board, committees and individual directors;
- c) Scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- d) Ensure the integrity of financial information and that financial controls and the systems of risk management are robust and flexible;
- e) Safeguard and balance the interest of all stakeholders;
- f) Moderate and arbitrate in the interest of the company in situations of conflict between management and shareholder's interest.

8. ROLES & RESPONSIBILITIES:

Following will be your responsibilities and duties –

- a) Updation of your skills, knowledge and familiarity with the Company and the external environment in which it operates;
- b) Seeking appropriate clarification or amplification of information;
- c) Striving to attend and actively participate in all meetings of the Board and Committees of which you are a chairperson/member as well as the general meetings of the Company;
- d) Holding and/or participating actively in the separate meetings of the independent directors of the Company which shall –
 - review the performance of non-independent directors and the Board as a whole;

- review the performance of the Chairperson of the Company, taking into account the views of executive and non-executive directors;
 - assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.
- e) Ensuring that your concerns about the running of the Company or a proposed action, are addressed by the Board and, to the extent that are not resolved, insist that your concerns are recorded in the minutes of the Board meeting;
 - f) Not unfairly obstructing the functioning of an otherwise properly conducted meeting of the Board or committee(s) of the Board;
 - g) Ensuring adequate deliberations, before approving related party transactions and assuring yourself that the same are in the interests of the Company;
 - h) Ensuring that the Company has an adequate and functional vigil mechanism and reporting concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy if any;
 - i) Acting within your authority, assist in protecting the legitimate interests of the Company, shareholders and employees;
 - j) Not disclosing 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.

9. PROFESSIONAL CONDUCT:

As an independent director, you shall-

- a) Uphold ethical standards of integrity and probity;
- b) Act objectively and constructively while exercising your duties;
- c) Exercise your responsibilities in a *bona fide* manner in the interest of the company;
- d) Devote sufficient time and attention to your professional obligations for informed and balanced decision making;
- e) Not allow any extraneous considerations that will vitiate your 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;
- f) Not abuse your 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;

- g) Refrain from any action that would lead to loss of your independence;
- h) Where circumstances arise which make you lose your independence, you must immediately inform the Board;
- i) Assist the Company in implementing the best corporate governance practices.

10. TRAINING AND DEVELOPMENT:

The Company usually holds Board meetings at its registered office or at Mumbai. Presentations are made regularly to the Board and the committees where Directors get an opportunity to interact with senior managers. Presentations, inter alia, cover business strategies, HR policy, quarterly and annual results, budgets, treasury policy, review of internal audit, risk management framework etc.

You can also access the official website of the Company, www.ltmetro.in for any other information about the Company.

The Company will facilitate your attending seminars/programs/conferences designed to train directors to enhance your role as a non-executive Independent Director.

11. LIABILITY OF NON-EXECUTIVE DIRECTORS & INDEPENDENT DIRECTORS:

Abiding by the provisions of the Act, we would like to mention that you being a non-executive independent director of the Company, will be held liable, only in respect of such acts of omission or commission which have occurred with your knowledge, attributable through Board processes, and with your consent or connivance or where you have not acted diligently.

12. DIRECTORS AND OFFICERS (D&O) LIABILITY INSURANCE:

A Directors & Officers (D&O) Liability Insurance policy is an insurance cover to protect the individual directors and officers in respect of personal liabilities arising out of their unintentional wrongful acts, committed in the course of their official duty. These wrongful acts can be actual or alleged breach of duty, breach of trust, neglect, error, misstatement, misleading statement, omission.

The Parent Company, Larsen and Toubro Limited has taken a Directors and Officers Liability policy which covers Directors and Employees of Larsen and Toubro Limited as

well as all its Subsidiaries, including L&T Metro Rail (Hyderabad) Limited. Said Policy has a liability limit of and extends worldwide.

The policy covers individual Directors and Employees, outside entity directors, spouse & legal heir of the insured person and retired directors.

We have great pleasure in welcoming you on the Board and look forward to working closely with you.

Thanking You,
For **L&T METRO RAIL (HYDERABAD) LIMITED**

Managing Director & Chief Executive Officer
(DIN –)

ACCEPTED

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(DIN –)

The Company has the following Committees constituted duly under the provisions of the Companies Act, 2013 and the rules made thereunder–

- **Audit Committee:**

The Audit Committee meets at regular intervals and carries out its role which include the following –

- Recommendation for appointment, remuneration and terms of appointment of auditors of the company.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Examination of financial statements and the auditor's report thereon;
- Approval or subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters.

- **Nomination & Remuneration Committee:**

The Nomination & Remuneration Committee (N&R) meets as and when any matter as specified in the terms of reference mentioned below comes up for discussion. The terms of reference of the N&R Committee are –

- Identify persons who are qualified to become directors and who may be appointed in senior management (here, 'senior management' means personnel of the company who are members of its core management team excluding the Board of Directors comprising all members of management one level below the executive directors, including the functional heads) in accordance with the criteria laid down by the Committee;

- Formulate criteria for determining qualifications, positive attributes and independence of a director;
- Recommend to the Board appointment and removal of such persons;
- Carry out evaluation of every director's performance;
- Recommend to the Board a policy, relating to remuneration for the directors, key managerial personnel (KMP) and other employees

- **Risk Management Committee:**

The risk management policy which includes:

- A framework for identification of internal and external risks specifically faced by the Company, in particular, financial, operational, sectoral, sustainability (particularly, ESG related risks), information, or any other risk as may be determined by the Committee.
- Measures for risk mitigation including systems and processes for internal control of identified risks.
- Business continuity plan.
- Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
- Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
- Keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken.
- Evaluate risks related to cyber security and ensure appropriate measures are taken to mitigate these risks.
- The appointment, removal and terms of remuneration of the Chief Risk Officer.

- **Stakeholders Relationship Committee:**

The terms of reference includes the following:

1. Resolving the grievances of the security holders of the Company.
2. Review of various measures taken for timely payment of interest on debentures and redemption amount of debentures.
3. Review of measures taken by the Company for timely dispatch of annual report, notices and other information by the security holder.

PROFILE OF THE COMPANY

L&T Metro Rail (Hyderabad) Limited is public liability company incorporated under Indian Companies Act, 1956 having its registered office at Hyderabad Metro Rail Administrative Building, Uppal Main Road, Nagole, Hyderabad 500039. The Company is a subsidiary of Larsen and Toubro Limited, Mumbai. The Project has been floated for implementation of Hyderabad Metro Rail Project on Design, Build, Finance, Operation and Transfer (DBFOT) basis. The Concession to carry out above specified work was awarded to Larsen and Toubro Limited on 4th September, 2010. Thereafter, Larsen and Toubro Limited, having won the project had incorporated a Special Purpose Vehicle in the name of L&T Metro Rail (Hyderabad) Limited on 24th August, 2010 to take up the Project. The project has a network length of 69.2 km with 57 stations on elevated structure at three stretches in the City of Hyderabad.

The Company also has Transit Oriented Development activities with Malls and office space across the city thereby forming a major part of the objects of the Company.

The Company's Unsecured, Non-convertible Redeemable Debentures issued by the Company aggregating to Rs. 9,366 Crore are listed on BSE Limited.