

# **McDOWELL HOLDINGS LIMITED**

## **TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS**

**McDowell Holdings Limited**

CIN L05190KA2004PLC033485.

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## **Term of Appointment**

The term of appointment will be for a period of \_\_\_\_\_ years and shall take effect from \_\_\_\_\_ (date). An Independent Director will not be liable to retire by rotation.

Re-appointment for another term of maximum period of five years at the end of the current term shall be based on the recommendation of the Nomination and Remuneration Committee of the Company and subject to the approval of the Board and the Shareholders at the General Meeting. Re-appointment would be considered by the Board based on the outcome of the performance evaluation process and the Independent Director continuing to meet the independence criteria.

## **Board-level Committee/s in which the Director is expected to serve and its tasks**

During the tenure as an Independent Director of the Company, he may be inducted as a Chairman/Member on Committees of the Board.

The Board may reconstitute the composition of any/all Committees, from time to time, and any such change shall be promptly communicated to the Independent Director. In such an event the Independent Director may also be required to serve on other Committees of the Board.

## **Role, Duties and Responsibilities**

As a Member of the Board, the Independent Director along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:

- Requirements under the Companies Act, 2013;
- Responsibilities of the Board as outlined in the Corporate Governance requirements as prescribed by SEBI(LODR) Regulations, 2015;
- Accountability under the Directors' Responsibility Statement;
- 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, shareholders, the community and for the protection of the environment;

The Independent Director shall abide by the 'Code for Independent Directors' as outlines in Schedule IV to Section 149(8) of the Companies Act, 2013, and duties of Directors as provided in the Companies Act, 2013 (including Section 166) and SEBI(LODR) Regulations, 2015.

The fiduciary duties come with such an appointment along with accompanying liabilities.

The Independent Director shall not:

- Misuse the information in their possession for personal gains.
- Engage in any way (both directly or indirectly) with the competitors
- In any way indulge in activities which may be construed as conflict of interest.
- Break any law of the land or indulge or provoke the co-directors or employees to do the same.
- Enter into any contract or arrangements wherein the Independent Director are directly or indirectly interested.

The above list is only indicative and not exhaustive.

## **Disclosures, other directorships and business interests**

During the term, the Independent Director agrees to promptly notify the Company of any change in his directorships, and provide such other disclosures and information as may be required under the applicable laws. The Independent Director also agree that upon becoming aware of any potential conflict of interest with his position as an Independent Director of the Company, the Independent Director shall promptly disclose the same to the Chairman and the Company Secretary.

During the Independent Director term, the Independent Director agree to promptly provide a declaration under Section 149(7) of the 2013 Act, every year and upon any change in circumstances within 20 days which may affect the status as an Independent Director.

## **Time Commitment**

Considering the nature of the role of a Director, it is difficult for a Company to lay down specific parameters on time commitment. The Independent Director agrees to devote such time as is prudent and necessary for the proper performance of the Independent Director role, duties and responsibilities as an Independent Director.

## **Remuneration**

An Independent Director shall be paid sitting fees for attending the meetings of the Board and the Committees of which he is a member as fixed by the Board from time to time.

Further, the Company may pay or reimburse to the Independent Director such fair and reasonable expenditure, as may have been incurred by the Independent Director while performing the Independent Director role as an Independent Director of the Company.

## **Code of Business Ethics of the Company**

The Independent Director of the Company, agrees to comply with the Code of Conduct of the Company for Non-Executive Directors (NEDs).

The Independent Director is required to sign a confirmation of acceptance of the Code of Conduct for NEDs on annual basis.

## **Induction and Development**

The Company may, if required, conduct formal induction program for its Independent Directors which may include any or all of the following:

- Board roles and responsibilities, whilst seeking to build working relationship among the Board members;
- Company's vision, strategic direction, core values, ethics and corporate governance practices;
- Familiarization with financial matters, management team and business operations, Meetings with stakeholders, visits to business locations and meeting with senior and middle management.

The Company may, as may be required, support Directors to continually update their skills and knowledge and improve their familiarity with the company and its business.

## **Performance Appraisal / Evaluation Process**

As a member of the Board, the Independent Director's performance as well as the performance of the entire Board and its committees shall be evaluated annually. Evaluation of each director shall be done by all the other directors. The criteria for evaluation shall be determined by the Nomination and Remuneration Committee and disclosed in the Company's Annual Report. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board/Committee. An indicative list of factors that may be evaluated as part of this exercise is:

- Participation and contribution by a director;
- Commitment (including guidance provided to senior management outside of Board / Committee meetings);
- Effective deployment of knowledge and expertise, Effective management of relationship with stakeholders, Integrity and maintenance of confidentiality, independence of behaviour and judgment; and
- Impact and influence.

## **Change in personal details**

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

## **Termination**

The Independent Director's directorship on the Board of the Company shall terminate or cease in accordance with law. Apart from the grounds of termination as specified in the Act, the Independent Director's directorship may be terminated for violation of any provision of the Company's Code of Conduct as applicable to Non-Executive Directors.

The Independent Director may resign from the directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation and also to Registrar of Companies (RoC). The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by the Independent Director in the notice, whichever is later.

If at any stage during the term, there is a change that may affect the status of an Independent Director as envisaged in Section 149(6) of the Act, or, if applicable, the Independent Director fails to meet the criteria for "independence" under the provisions of SEBI(LODR) Regulations, 2015, the Independent Director agrees to promptly submit his resignation to the Company with effect from the date of such change.