



## **Terms and Conditions of appointment of Independent Directors**

### **1. Terms of Appointment:**

- a) The term of appointment of an Independent Director (ID) of the Company (first tenure) is for a maximum period of 5 consecutive years from the date of his/ her appointment. Independent Director is not liable to retire by rotation.
- b) Appointment of every independent director shall be approved by members' of the Company.
- c) Independent Director is not liable to retire by rotation.
- d) Independent Directors will be eligible for re-appointment for another term of up to 5 consecutive years, after the completion of their first tenure of first 5 years, subject to Board approval, and the passing of a Special Resolution by Members.

### **2. Roles and Duties:**

The roles and duties of the Independent Director will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are inter-alia as under:

- 1) He/ she shall act in accordance with the Company's Memorandum of Association and Articles of Association.
- 2) He/ she shall act in good faith in order to promote the objects of the Company for the benefit of the members of the Company as a whole, and in the best interest of the Company.
- 3) He/ she shall discharge duties with due and reasonable care, skill and diligence.
- 4) He/ She shall not involve in a situation in which he/ she may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- 5) He/ She shall not achieve or attempt to achieve any undue gain or advantage either to himself/ herself or his/ her relatives, partners or associates.
- 6) He/ She shall not assign office of Director and any assignments so made shall be void.

**Registered & Corporate Office**

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7) He/ She Shall comply with all applicable laws and regulations of all the relevant regulatory and other authorities as may be applicable to such Directors in their individual capacities.

Independent Directors shall also be taking sufficient care to perform duties specified in the Code for Independent Directors under Schedule IV of the Companies Act, 2013 and clause 49 of the listing agreement (including any modification or re-enactment of the same) that come with such an appointment along-with accompanying liabilities.

In addition to their role as Directors, the Board may nominate Independent Director as the Chairman/ Member of other Board Committees, as it may deem fit from time to time.

### **3. Expectation of the Board from the appointed Director**

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.

They will be expected to attend meetings of Board and Board Committees in which ID is a member and Members meetings and to devote such time as appropriate to discharge their duties effectively. Ordinarily, all meetings, including the Annual General Meetings are held at the Registered Office in Kochi

By accepting the appointment, the Directors confirm that they are able to allocate sufficient time to meet the expectations from their role to the satisfaction of the Board.

### **4. Code of Conduct and Business Ethics for Board of Directors and Insider Trading Code**

The Board has put in place a Code of Conduct and Ethics for Board of Directors (Code).

Independent Directors shall abide by the Code. An annual affirmation of compliance is required to be provided by the Independent Directors on the same.

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Directors shall also comply with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Code of Conduct for Prevention of Insider Trading of the Company. The directors shall not make use of unpublished price sensitive information.

## **5. Directors' Fees/ Remuneration**

A sitting fee will be paid for attending each meeting of the board as well as the committee meetings attended, as per the provisions of Section 197 of the Act 2013 and the Articles of Association of the Company/ or as sanctioned by the members of the Company- The ID will be entitled to claim reimbursement of all his/ her travelling, hotel and other incidental expenses incurred by him/ her in performance of duties as director of the Company, as per the provisions of the Act 2013.

## **6. Stock Options**

Independent Director is not eligible to participate in Stock Options schemes of the Company.

## **7. Status of Appointment**

The Independent Director will not be an employee of the Company and the appointment letter shall not constitute a contract of employment. The Directors will be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board and / or as approved by the Members from time to time.

## **8. Conflict of Interest**

It is accepted and acknowledged that the appointed IDs may have business interests other than those of the Company. Considering the same, they are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of their appointment.

In the event that 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 judgments that they are independent, this should be disclosed to the Company



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

Attention is also drawn to the requirements under the applicable regulations and the Insider Trading regulations which is concerned with the disclosure of price sensitive information and dealing in the securities. Consequently director should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Chairman of the Company.

Unless specifically authorized by the Company, the Independent Director shall not disclose Company and business information to public constituencies such as the media, the financial community, employees, members, agents etc

## 10. Termination

Independent Directors may resign from their position at any time and if they wish to do so, they are requested to serve a reasonable written notice on the Board. Continuation of their appointment is contingent on getting re-elected by the members in accordance with provisions of Companies Act, 2013, the Rules framed thereunder and the Articles of Association of the Company, from time to time in force. They will not be entitled to compensation if the members do not re-elect them at any time. Their appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

## 11. Performance evaluation of Independent Directors

The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

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## 12. Miscellaneous

Independent Directors shall give an annual declaration as required under the provision of section 149(7) of the Companies Act, 2013 and the rules made thereunder.

An Independent Director shall not serve as an Independent director in more than seven listed companies as may be stipulated by the Listing Agreement or any other law of the land, for the time being in force. Further, an Independent Director who is serving as a whole time director in any listed company shall not serve as an Independent director in more than three listed companies or such number of listed companies as may be stipulated by the Listing Agreement or any other law of the land, for the time being in force

The Company being a Middle layer NBFC, the Independent Director shall also abide by the following:

- a) Fit and proper criteria prescribed by RBI
- b) Signing an undertaking and deed of covenant prescribed by RBI and continued compliance of the terms

An independent director shall not be on the Board of more than three NBFCs (NBFC-ML or NBFC-UL) at the same time. Further, there shall be no conflict arising out of their independent directors being on the Board of another NBFC at the same time.

A copy of the terms and conditions shall be furnished to ID at time of their appointment.

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