



VALUVANADU
CAPITAL LTD.

SINCE 1986

Terms and Conditions of appointment of Independent Directors

(Pursuant to the provisions of Schedule IV to the Companies Act, 2013)

1. TERMS OF APPOINTMENT:

The term of appointment of an Independent Director of the Company for the first term is for One or Three years and Second term is for a period of Five year 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. Independent Director is not liable to retire by rotation.

Reappointment at the end of the Term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the shareholders.

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 as under:

- i. undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the company;
- ii. 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;
- iii. strive to attend all meetings of the Board of Directors and of the Board committees of which you are/ going to be a member;
- iv. participate constructively and actively in the committees of the Board in which you are/ going to be chairpersons or members;
- v. strive to attend the general meetings of the company;
- vi. where you 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;
- vii. keep yourself well informed about the company and the external environment in which it operates;



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- viii. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- ix. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- x. 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;
- xi. report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy.
- xii. acting within your authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- xiii. 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.

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 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 Independent Director is a member and Members meetings and to devote such time as appropriate to discharge their duties effectively. Ordinarily, all meetings are normally held at the Corporate Office at Manjeri .

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

Independent Director will be expected to perform his / her duties, whether statutory, fiduciary or common law, faithfully, effectively and diligently to a standard commensurate with both the functions of your role and your knowledge, skills and experience.

Independent Director will have all the usual duties of an Independent Director under Company law, including attendance at Board meetings, the Annual General Meeting, meetings of Independent Directors, meeting with the investors and shareholders and other Board events such as visits, together with such additional duties as may be agreed with the Board, and which may relate to the business of the Company or any other member of the Group.

Independent Director will be required to serve on such Committees as the Board may request, including but not limited to Audit, and/or Nomination and remuneration and /or Stakeholders

Relationship Committees. Independent Director will be expected to devote appropriate preparation and travel time ahead of each meeting.

There are certain roles, functional duties prescribed for all Independent Directors, which are listed in the "Code of Independent Directors" as outlined in Schedule IV to the Companies Act, 2013. Independent Director shall abide by the said 'Code of Conduct for Independent Directors' as amended from time to time to the extent relevant and applicable to your role.

5. DIRECTORS' FEES/ REMUNERATION

As an Independent Director you shall be paid sitting fees for attending the meetings of the Board and the Committees of which you are a member. The sitting fees for attending each meeting of the Board and its Committees would be as determined by the Board from time to time.

In addition to the sitting fees, commission that may be determined by the Board may also be payable to you. In determining the amount of this commission, the Board supported by the Nomination and Remuneration Committee may consider performance of the Company and your performance as evaluated by the Board.

Further, the Company may pay or reimburse to you such expenditure, as may have been incurred by you while performing your role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by you for accommodation, travel and any out of pocket expenses for attending Board/ Committee meetings, General Meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the Company for Directors) and in obtaining professional advice from independent advisors in the furtherance of your duties as an Independent Director, subject to the expense being reasonable.

6. LIABILITY

- An Independent Director will be liable only in respect of such acts of omission or commission by the Company which had occurred with his / her knowledge, attributable through Board processes, and with Independent Director consent or connivance or where the Independent Director had not acted diligently.

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 Independent Directors 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.

During the term of Appointment, the Independent Directors are expected not to take up directorship in any company (whether in India or abroad) engaged in the same or similar businesses as that of the Company or in a company, business or Terms and conditions of appointment of the Independent Directors undertaking which competes or is likely to compete with the Company or which could otherwise potentially give rise to a conflict with his duties with the Company.

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 both the Chairman and the Secretary.

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 without prior clearance from the Chairman 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.

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, franchises, dealers, distributors and importers.

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.

The re-appointment of independent director shall be on the basis of report of performance evaluation.

For VALUVANADU CAPITAL LIMITED


Pattayil Chozhimukkil Nidheesh
Managing Director
(DIN: 06944832)

