



# **Manglam Build-Developers Limited**

Terms & Conditions of Appointment of  
Independent Director

### **Independence:**

The Board of the Company has determined the Director(s) to be independent in accordance with the provisions of Section 149(6) of the Companies Act, 2013, based on the declaration given by the Directors. The Director(s) will be identified as such in the annual report and other documentation. If circumstances change and the Director(s) believes it may not be possible for them to retain their independence, they shall bring the same to the notice of the Company as soon as practicable.

### **Appointment & Tenure:**

The appointment of Independent Director for initial term is generally for a period of 5 (five) consecutive years unless vacated and/or terminated earlier but shall be eligible for reappointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report, as per provisions of the applicable laws. This tenure is subject to meeting the criteria for being an Independent Director and not being disqualified to be a Director under applicable laws on a continuous basis.

Independent Director is not liable to retire by rotation.

The appointment and continuation of office of Independent Director is subject to the applicable provisions of the Companies Act, 2013 (the Act).

No independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director. Provided that an independent director shall not, during the said period of three years, be appointed in or be associated with the company in any other capacity, either directly or indirectly.

### **Time Commitment:**

Independent Director is expected to bring objectivity and independence of view to the Board's deliberations and to help the Board with effective overview of the Company's strategy, performance, social commitments and risk management and ensure high standards of financial integrity and governance.

Independent Director is required to perform the duties expected including (without limitation) attending Board Meeting, the Committee Meetings (in case of membership) and Annual General Meeting and to devote such time, as appropriate, for you to discharge your responsibilities and duties effectively.

### **Role and Duties**

Role and duties of Independent Director will be as set out under the Act but not limited to the fiduciary duties associated with the office of an independent director. Independent Director (and without prejudice to the roles, functions and duties specified in Schedule IV of the Act), shall:

- (i) act in accordance with the AOA;
- (ii) act in good faith in order to promote the objectives of the Company for the benefits of its members as a whole and in the best interest of the Company;
- (iii) regularly update and refresh their skills, knowledge and familiarity with the company
- (iv) discharge responsibilities and duties with due and reasonable care, skill and diligence by exercising independent judgement;
- (v) strive to attend every meeting of the Board and its Committee(s) of which a member and annual general meetings;
- (vi) strive to attend any other meetings, where attendance is solicited;
- (vii) provide strategic direction and also act as a constructive critic in evaluating the proposal and plans on strategic direction;
- (viii) evaluate and scrutinize the performance of the management in meeting agreed goals and objectives;
- (ix) satisfy on the integrity of financial information and that financial controls and systems of risk management are robust and compliant with applicable laws;
- (x) keep well informed about the Company and the external environment in which it operates; and
- (xi) ensure that the vigil mechanism policy of the Company is implemented and report concerns about any unethical behaviour, actual or suspected fraud or violation of the Code of Conduct
- (xii) 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;
- (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.

**Code for Independent Directors:**

The Director(s) shall adhere to the Code for Independent Directors as detailed in Schedule IV of the Companies Act, 2013.

**Professional Conduct and Conflict of Interest**

Independent Director shall not:

- (i) participate in or vote at any meetings of the Board/Committees wherein interested;
- (ii) achieve or attempt to achieve any undue gain or advantage either for self or for relatives, partners, or associates;
- (iii) allow any extraneous considerations to vitiate exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring with or dissenting from the collective judgment of the Board in its decision making;
- (iv) abuse position to the detriment interest of the Company or its shareholders;
- (v) unfairly obstruct the functioning of the Board or Committee meeting(s);
- (vi) put in a position which results in a direct or indirect conflict of interest or possible conflict of interest with the Company; and
- (vii) assign office of an Independent Director and any assignments so made shall be void.
- (viii) refrain from any action that would lead to loss of his independence;

**Confidentiality:**

All information including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information related to the Company and/or Manglam Group that is acquired or provided during the tenure is confidential to the Company and should not be released/disclosed either during the tenure or following termination (by whatever means) to third parties without prior authorization by the Board, unless such release/disclosure is required by law or by the rules of regulatory body/authority. Accordingly, Independent Director is expected to maintain all agenda, notes, data, records and other documents in any way relating to the Company or the Company's business interest, as highly confidential and maintain them as inaccessible to others.

Independent Director should adhere to the requirements under the applicable regulations. Consequently, Independent Director should avoid making any statements or performing any transaction that might risk a breach of these requirements without prior clearance from the Board.

At all times and notwithstanding ceasing to be an Independent Director of the Company, Independent Director are expected not to use such information for personal or professional benefit or disclose such confidential information to third parties who may use the same for their personal or professional benefit.

**Disclosure of Interest**

It is accepted and acknowledged that Independent Director may have business interests other than those of the Company. As a condition of appointment, Independent Director are required to submit various disclosures/declarations

under applicable laws and as per Company's policies including declarations with respect to any directorship appointments and interests to the Board in writing.

The Director(s) are permitted to accept other Directorships provided that they are able to devote to their role as a Non Executive Director of the Company. Further, in no event Independent Director shall hold directorship in companies beyond the limits specified in Section 165 of the Act;

During the term of appointment, Independent Director are required to promptly notify the Company of any change in directorships and provide such disclosure and information as may be required under the applicable laws; and Independent Director shall refrain from any action that would lead to loss of independence. In the event that the circumstances of Independent Director seem likely to change which might give rise to conflict of interest or such change in circumstances could lead the Board to revise its judgment regarding independence, such changes or possible changes in circumstances should be disclosed to the Board promptly.

**Evaluation:**

The Independent Directors shall review the performance of non-independent Directors and Board as a whole. They shall also review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors and is evaluated annually as per Company's policy. They shall also 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 their duties. The performance evaluation of independent directors shall be done by the entire Board, excluding the director being evaluated. The appointment/ re-appointment on the Board shall be subject to the outcome of the annual evaluation process.

**Independent Directors' Meeting:**

A separate meeting of the Independent Directors will be held at least once every year without the attendance of the non-independent directors and the members of the management. The Company expects all the Independent Directors shall strive to be present at this meeting.

**Liability under the Act:**

Pursuant to the provisions of the Act, an Independent Director will be liable only in respect of such omission or commission by the Company which had

occurred with his/her knowledge, attributable through Board processes and with his/her consent or connivance or where he/she had not acted diligently.

**Sitting Fees:**

The Director(s) will be paid sitting fees for attending the Board Meetings, as may be determined by the Board of Directors.

**Termination**

- i) Independent Director may resign from the position at any time by giving a notice in writing to the Company stating reasons of resignation. The resignation shall take effect from the date on which the notice is received by the Company or the date if any specified in the notice, whichever is later.
- ii) Independent Director shall cease to hold office if fails to meet the criteria for an Independent Director mentioned in the Act and/or if otherwise disqualified and shall forthwith intimate the Company of such an event and promptly submit resignation to the Company with effect from date of such change.
- iii) The Company can also terminate your directorship in accordance with the procedure set out in Section 169 of the Act.
- iv) The Independent Director who resigns or is removed from the Board of the company shall be replaced by a new Independent Director within three months from the date of such resignation or removal, as the case may be.

**Publication of the Letter of Appointment:**

The Company shall disclose the terms and conditions of appointment on the website of the Company.

**Change in Personal Details:**

During term, an Independent Director shall promptly intimate the Company in the prescribed manner, of any change in address or other contact or personal details.

**General:**

No person other than the Director(s) and the Company shall have any rights under this letter and the terms of this letter shall not be enforceable by any person other than the Director(s) and the Company.

The appointment letter and any non-contractual obligations arising out of or in connection with the letter are governed by and shall be construed in

accordance with, the laws of India and the parties agree to submit to the exclusive jurisdiction of the courts in Jaipur.

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