

# **MKVENTURES CAPITAL LIMITED**

(Formerly known as “IKAB SECURITIES AND INVESTMENT LIMITED”)

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

### **POLICY VERSION CONTROL:**

<b>VERSION NO.</b>	<b>APPROVED BY BOARD ON</b>	<b>REMARKS</b>
1.0	08.08.2022	Policy adopted in supersession of previously adopted policy.
2.0	12.11.2022	Substitution of “Ikab Securities And Investment Limited” with the new name “MKVentures Capital Limited” from the Policy document
3.0	30.05.2023	Policy adopted in supersession of previously adopted policy.

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

### **1. TERM OF APPOINTMENT:**

The appointment as Independent Director is for a period of 5 consecutive years. This tenure is subject to meeting of the eligibility criteria for Independent Director and not being disqualified to be a Director under the applicable regulations.

The appointment shall be governed by the provisions of the Companies Act, 2013 and rules made thereunder, and other statutory provisions as may be applicable from time to time. The Term Independent Director should be construed as defined under the Companies Act, 2013.

### **2. ROLE AND DUTIES ON THE BOARD:**

The Independent Director is expected to provide their expertise and experience in the overall functioning of the Board and its committees in which they may be nominated. Their role and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013. Independent Directors are required to make a disclosure of their interest as per the requirements of Section 184 of the Companies Act, 2013.

Apart from the above, the other duties of the Independent Director which are fiduciary in nature and are as under:

- i. To act in accordance with the Company’s Articles of Association.
- ii. To act in good faith in order to promote the objects of the company in the benefits of its members as a whole and in the best interest of the Company, its employees and its shareholders.
- iii. To discharge duties with due and reasonable care, skill and diligence and to exercise independent judgment.
- iv. To not involve themselves in a situation in which they may have a direct or indirect interest that conflict or possibly may conflict, with the interest of the Company.

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- v. To not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners or associates.
- vi. To not assign their office as Director and any assignment so made shall be void.
- vii. To advise and counsel management and monitor and manage potential conflict of interest of management. Also following is the list of activities to be refrained doing from while functioning as Independent Director of the Company:
  - i. To not allow any extraneous considerations that will vitiate their 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;
  - ii. To not abuse their 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;
  - iii. To refrain from any action that would lead to loss of their independence;
  - iv. To 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 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.

### **3. COMMITTEES:**

The Board of Directors may invite the Independent Director for being appointed on one or more existing Board Committees or any such committees that may be set up in future. The Independent Director's appointment on such committees shall be subject to the applicable regulations. The Independent Director will be provided with the approved terms of reference of the respective committees which sets out its functions.

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## **4. INDEPENDENCE:**

The Board of Directors inter alia shall give due consideration to the candidate’s declaration of being qualified as ‘Independent Director’ in accordance with the provisions of the Companies Act, 2013 and Rules made there under as well as other statutory provisions as may be applicable.

The Independent Director is expected to continue to be an Independent Director during their tenure, and provide periodic declaration to the effect as required by the regulations. He will be identified as ‘Independent Director’ in our annual report and other documents and publications of the Company. If circumstances change and the Independent Director believes it may not be possible to retain his independence, he may notify this to the Chairman as soon as practicable.

## **5. 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.

The Board meets at least four times in a year and the Audit Committee and Stakeholders’ Relationship Committee also meet at least four times in a year. Besides, there are other Committee meetings like Nomination and Remuneration Committee, which are ordinarily convened twice in a year.

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.

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.

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## **6. 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.

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.

## **7. REMUNERATION:**

The remuneration payable to the Independent Director shall be governed by the relevant provisions of the Articles of Association of the Company and the Companies Act, 2013 and Rules made there under.

The Independent Director will be paid remuneration by way of sitting fees for meetings of the Board and its committee/ subcommittees as may be decided by the Board of Directors of the Company.

In addition, the Independent Director will also be entitled to reimbursement of all expenses for participation in the Board and other meetings. The sitting fees, presently paid to the Non-Executive Independent Director is in accordance with the Companies Act, 2013 and relevant Rules thereunder.

## **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

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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.

Attention is also drawn to the requirements under the applicable regulations and the Insider Trading Policy which is concerned with the disclosure of price sensitive information and dealing in the securities of MKventures. 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 or the Company Secretary.

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.

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## **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.

## **12. GENERAL:**

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

All the terms and conditions as mentioned above shall be governed by the Companies Act, 2013, Rules made there under and other statutory provisions as may be applicable from time to time.

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