

**ADVIK CAPITAL LIMITED**

**CIN: L65100DL1985PLC022505**

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

## **I. INTRODUCTION AND SCOPE**

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfillment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors. The appointment of Independent Directors shall be governed by Schedule IV to the Companies Act 2013 - 'Code For Independent Directors'.

The terms and conditions of appointment of Independent Directors of the company, in any event, are subject to the extant provisions of the (i) applicable laws, including the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (ii) Articles and Association of the Company and (iii) Nomination and Remuneration Policy of the company.

## **II. DEFINITIONS**

**“Act”** means the Companies Act, 2013, as amended from time to time.

**“Board”** means board of directors of the Company as constituted from time to time.

**“Company”** means Advik Capital Limited

**“SEBI Listing Regulations”** means SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended.

**“Year”** means financial year.

Any other term not define adhere in shall have the same meaning as defined in the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law or regulation and as amended from time to time.

## **III. TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS:**

### **A) APPOINTMENT**

1. The appointment as an Independent Director on the Board will be effective from date of appointment for a period of terms of appointment.
2. An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
3. No Independent Director shall hold office for more than two consecutive terms of up to maximum of 5 years each and such Independent Director shall be eligible for appointment after expiry 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.

Provided further that, at the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director/ Managing Director of a listed company, or such other number as may be prescribed under the Act.

4. The Board may, if it deems fit, invite Independent Director for being appointed on one or more existing Board Committees or any such Committee that is set up in the future. The appointment on such Committee(s) will be subject to applicable law.

#### **B) ROLE, DUTIES AND RESPONSIBILITIES**

1. The Director shall act in accordance with the provisions of the article of association of the Company.
2. The Director shall act in good faith to promote the objects of the company for benefit of all stakeholders of the company.
3. Director shall act in prudent and independent manner while discharging the duties as may be assigned by the company and laws of the land.
4. The director shall not involve in a situation in which he may have a direct or indirect interest that conflicts or possibly may conflict with the interest of the Company.
5. The director shall not attempt to gain or achieve any undue advantage either for himself or to his relatives, partners or associates by exploiting his positions at Company. Further if found guilty shall be liable to pay an amount equal to that gain to the Company.
6. Director shall not assign his office and any assignment so made shall be void.

#### **C) CODE FOR INDEPENDENT DIRECTORS**

1. The Company has relied on the declaration of the Independent Director that he / she meets the criteria of independence as provided in Section 149(6) of the Act and also in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).
2. The Independent Director will be required to abide by the guidelines as to professional conduct for independent directors as set out in Section 149(8) read with Schedule IV to the Act.
3. The Independent Director will be required to comply with applicable provisions of any code of conduct framed by the Board for all Board members and Senior Management of the Company under the Listing Regulations.

4. The Independent Director of the Company will always act in the interest of the Company and ensure that any other business or personal association which they may have, does not involve any conflict of interest with the operations of the Company and his role therein.
5. The Independent Directors will 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.
6. The Independent Directors will safeguard the confidentiality of all information received by them by virtue of their position.

#### **D) RESTRICTIONS**

1. Save and except Directorships currently held by the Independent Director, 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 undertaking of which competes or is likely to compete with the Company or which could otherwise potentially give rise to a conflict with his/her duties with the Company. In the event that the Independent Director becomes aware of any potential conflicts of interest, or in case of doubt, he / she should consult the Chairman of the Company as soon as practicable.
2. During the term of Appointment, an Independent Director shall not serve as:
  - a) an independent director in more than such number of companies as may be prescribed under SEBI Listing Regulations and
  - b) a committee member of more than the such number of committees including chairmanship of such committees as may be prescribed under SEBI Listing Regulations.
3. During the term of appointment, Independent Director shall not indulge in forward dealings in securities of the Company which is prohibited under the Act. Directors are prohibited from dealing in the Company's securities when the trading window is closed. They are expected to comply with the Company's code for securities dealing as well as with the concerned provisions of the Insider Trading Laws and Regulations.
4. During the term of Appointment,
  - a) Independent Director will not enter into any agreement for himself/herself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company; and
  - b) Independent Director will not enter into any such agreement referred to in (a) above without obtaining the prior approval from the Board of Directors as well as public shareholders of the Company.

#### **E) TIME COMMITMENT**

By accepting the appointment, the Independent Director confirms that he / she will be able to allocate sufficient time to perform his/her duties as a director and attend meetings of the Board or any committee thereof. In addition to such attendances, Independent Director will be expected to devote appropriate preparation time ahead of each meeting.

#### **F) TRAINING AND DEVELOPMENT**

1. The Independent Director will be invited to attend ongoing training and familiarization sessions for Directors including site visits.
2. The Board members are provided with necessary documents / brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices.
3. Periodic presentations are made at the Board and Committee meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved.
4. Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to Directors.

#### **G) EVALUATION PROCESS**

The Nomination and Remuneration Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary. The criteria for evaluation shall be 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.

#### **H) INDEPENDENT ADVICE**

With the approval of the Chairman, you may seek independent professional advice, at the Company's expense, on any matter connected with the discharge of your responsibilities as a Director. Copies of this advice must be made available to, and for the benefit of, all Board members, unless the Chairman otherwise agrees.

#### **I) CONFLICT OF INTEREST**

It is accepted and acknowledged that Independent Director may have business interests other than those of the Company. As a condition precedent to commencement of the appointment, Independent Director is required to declare to the Company any such directorships, appointments and interests to the Board. Thereafter, Independent Director is required to declare to the Company whenever there is any change in the circumstances which may affect your status as an Independent Director.

#### **J) TERMINATION/ RESIGNATION**

1. Independent Director may resign from his position at any time by serving a reasonable written notice on the Board stating out the reason for resignation. Further, appointment of Independent Director may be terminated in accordance with applicable law.
2. Continuation of appointment of Independent Director is contingent on his/her willingness to continue as an Independent Director, and getting re-appointed by the shareholders in accordance with applicable law. Independent Director will not be entitled to compensation in case the shareholders of the Company do not re-appoint him/her at any time.

#### **K) CONFIDENTIALITY**

The Independent Director agrees that both during and after the term of Appointment, Independent Directors will not use for his/her own, or for another's benefit, or disclose or permit the disclosure of any confidential information relating to the Company, subsidiary or any group or associate companies of the Company, which he/she may acquire by virtue of his/her position as an independent director, including without limitation, any information about the deliberations of the Board. The restriction shall cease to apply to any confidential information which may (other than by reason of the director's breach of this term), become available to the public generally.

#### **L) LIABILITY**

Subject to applicable law, for any breach of duties, Independent Director will be liable to consequence prescribed under applicable law and in relation to the Company, Independent Director would be liable for such acts of 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 Independent Director has not acted diligently.

#### **M) REMUNERATION & EXPENSES**

1. The Non-Executive/ Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
2. All the remuneration of the Non-Executive/ Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
3. An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
4. Any remuneration paid to Non-Executive/ Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
  - i) The services are rendered by such Director in his capacity as the professional; and
  - ii) In the opinion of the Committee, the Director possesses the requisite qualification for the practice of that profession.

#### **N) COMPANY POLICIES**

As an officer of the Company, it is expected from the Independent Director to act at all times in accordance with the Company's Constitution and comply with the Company's corporate policies and procedures that relate to your role as a director covering such areas as corporate governance, privacy and travel. Copies of these will be provided.

#### **O) CHANGES OF PERSONAL DETAILS**

During the Term, they shall promptly intimate the Company Secretary in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

#### **IV. MISCELLANEOUS**

1. In case of any doubt, ambiguity, dispute or difference arise out of the meaning/interpretation of any word or provision in these terms and conditions, the same shall be referred to the Nomination and Remuneration Committee, if formed, otherwise board and the decision of such Committee/ Board in such case shall be final.
2. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy and further the objective of good corporate governance.
3. This shall be effective from the date of Board approval, i.e with effect from January 17, 2022.
4. Company's Committee will monitor the effectiveness and review the implementation of these terms and conditions, considering its suitability, adequacy and effectiveness.
5. Company reserves the right to vary and/or amend to these terms and conditions from time to time.

#### **V. DISCLOSURES**

These terms shall be disclosed on the website of the Company i.e [www.advikgroup.com](http://www.advikgroup.com) and such other places as may be required by the Act and rules framed thereunder, Equity Listing Agreement entered into with the stock (including any statutory modification(s) or reenactment thereof) and such other laws for the time being force.

#### **VI. DISCLAIMER**

1. The Terms does not in any way restrict the provisions of the Companies Act, related rules and Regulations or any other statutory laws.
2. Given the aforementioned uncertainties, prospective or present investors are cautioned not to place undue reliance on any of the forward-looking statements in this document.

**Annexure****Document Control Section**

Document Name	
Abstract	
Security Classification	
Location	

**Authorization**

<b>Document Author</b>	<b>Document Owner</b>	<b>Reviewed By</b>	<b>Approved By</b>

**Review and Amendment Log**

<b>Version</b>	<b>Modification Date</b>	<b>Section</b>	<b>Amendment/ Modification/Deletion</b>	<b>Brief Description of Change / Review</b>
2	January 17, 2022	All	Replacement	New Terms Adopted