



# MAHARASHTRA KNOWLEDGE CORPORATION LIMITED (MKCL)

CIN U80302PN2001PLC135348

ISO 9001:2015 Company

## Terms of Appointment as Independent Director

This letter sets out below the terms of your appointment pursuant to the applicable provisions of Section 149 of the Act, Schedule IV and Rules thereunder and as set in the Articles of Association of the Company

### 1. Term of Appointment

You have been appointed as Independent Director of the Company in the \_\_\_ Annual General Meeting dated \_\_\_\_\_ pursuant to provisions of Section 149 of the Companies Act, 2013, the tenure of your appointment commences from 1<sup>st</sup> April, \_\_\_\_\_. As approved by the members of the Company, your tenure shall be for a period of Five (5) consecutive years starting from 1<sup>st</sup> April, \_\_\_\_\_ to 31<sup>st</sup> March, \_\_\_\_\_. As an independent director, your period of office is not liable to retire by rotation.

### 2. Expectation of Board

Presently, the Board has the following Committees-

1. Audit Committee
2. Corporate Social Responsibility Committee
3. Shareholders Committee
4. Nomination and Remuneration Committee
5. Joint Venture Formation Committee
6. Infrastructure Development Committee

The Board has appointed you on its following Committee/s-

- 1
- 2
- 3
- 4

The Board may from time to time, consider change in the constitution of any of the aforesaid committees and consequent to any change in terms of appointment/ re-appointment, the same shall be communicated to you.

The Independent Director shall at all-time act in the interest of the Company. The Independent Director shall at the first meeting of the Board in which he/she participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, give a declaration that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act.

### 3. Fiduciary Duties and liabilities

The independent directors shall:

- (1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- (2) bring an objective view in the evaluation of the performance of board and management;
- (3) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) balance the conflicting interest of the stakeholders;
- (7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- (8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.
- (9) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (10) 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;
- (11) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (12) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (13) strive to attend the general meetings of the company;
- (14) where they 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;
- (15) keep themselves well informed about the company and the external environment in which it operates;
- (16) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (17) 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;

(18) 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;

(19) report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;

(20) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;

(21) 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.

#### **4. Code of Business ethics**

An independent director shall:

- (1) uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising his duties;
- (3) exercise his responsibilities in a *bona fide* manner in the interest of the company;
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will vitiate his 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;
- (6) not abuse his 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;
- (7) refrain from any action that would lead to loss of his independence;
- (8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (9) assist the company in implementing the best corporate governance practices.

#### **5. Remuneration and Sitting Fees**

The Independent Directors shall be entitled to such sitting fees for attending a meeting of the Board of Directors or a committee or sub-committee thereof, as may be fixed by the Board of Directors, not exceeding Rupees Ten Thousand per meeting, in addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all traveling, hotel and other expenses incurred by them for attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company or in connection with the business of the Company. Presently, the sitting fees is Rs.10,000/- per meeting.

Further, the Board has approved the below policy regarding payment of Expenses to eligible Directors and invitees for attending Board Meetings, Committee Meetings of the Board, General Meetings of Maharashtra Knowledge Corporation Ltd. or meetings in connection with the business of the Company-

Category	Re-imbursements/Payments
Director attends through audio-visual mode from place other than the meeting venue.	<ul style="list-style-type: none"> <li>Rs.1000/- (without supporting documents) or @ 80 k.m. for 8 hours (with supporting documents) for conveyance</li> </ul>
Director physically attends the meeting at the venue.	<ul style="list-style-type: none"> <li>Incase of Directors residing outside the city of venue of the meeting → At actuals for to-fro place of residence to meeting venue for conveyance.</li> <li>Incase of Directors residing within the city of venue of meeting → Rs.1000/- (without supporting documents) or @ 80 k.m. for 8 hours (with supporting documents) for conveyance.</li> </ul>
Meeting venue is at place (i.e. city) other than where Director resides	<ul style="list-style-type: none"> <li>Upto Rs.1000/- for food expenses.</li> <li>Hotel re-imbursement shall be at actuals.</li> </ul>

- (1) No payments shall be made to concerned Director/s incase the facility is provided by the Company.
- (2) Additional amounts shall be paid towards parking charges and/or toll charges as claimed by the Director.
- (3) Residential address shall be considered as appearing in the master data of Ministry of Corporate Affairs (MCA) portal.
- (4) (a) For Mumbai-Pune-Mumbai or vice-versa → Mode of conveyance can be by road/by rail.  
(b) For others → By Air (Business/Economy Class), By Rail (AC First Class/ AC II Tier Class), By Road (any type of public/private bus including AC bus/AC Taxi).

In case of own vehicle -

- @Rs.20/- Per km for chauffer driven car (subject to self-declaration by concerned director); or
- Per km mileage at rates prescribed by Company from time to time incase of self-driven car

- (5) All Directors are allowed to travel below their entitled class of travel.
- (6) All claims by Directors for re-imbursements/payments shall be supported by appropriate supporting documents.”

## 6. Directors & Officers (D&O) Insurance

Presently, the Company has no D&O liability insurance policy.

## **7. Directors office to be vacant**

The office of a director shall become vacant in case-

- (a) he incurs any of the disqualifications specified in section 164;
- (b) he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board;
- (c) he acts in contravention of the provisions of section 184 relating to entering into contracts or arrangements in which he is directly or indirectly interested;
- (d) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of section 184;
- (e) he becomes disqualified by an order of a court or the Tribunal;
- (f) he is convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months:  
Provided that the office shall be vacated by the director even if he has filed an appeal against the order of such court;
- (g) he is removed in pursuance of the provisions of the Companies Act, 2013;
- (h) he, having been appointed a director by virtue of his holding any office or other employment in the holding, subsidiary or associate company, ceases to hold such office or other employment in that company.

## **8. Separate Meetings of Independent Directors**

- (1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
- (2) All the independent directors of the company shall strive to be present at such meeting;
- (3) The meeting shall:
  - (a) review the performance of non-independent directors and the Board as a whole;
  - (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
  - (c) 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.

## **9. Evaluation mechanism**

- (1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- (2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

We are confident that the Board and the Company will benefit immensely with your expertise and varied experience. Kindly confirm the acceptance of these terms of appointment as mentioned above by signing and returning the signed copy of this letter.

We thank you for your continued support and commitment to the Company.

With warm regards,

Yours Sincerely,

**For Maharashtra Knowledge Corporation Limited**

**Sd/-  
Vivek Sawant  
Managing Director  
DIN: 00002285**

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**I AGREE & ACCEPT**

I accept the terms of appointment as set forth in this letter of appointment as Independent Director of the company and hereby accept my appointment as independent director.

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Place:

Date: