

# **Mercantile Ventures Limited**

**CIN: L65191TN1985PLC037309**

**Regd. Office: No.88, Mount Road, Guindy, Chennai - 600 032.**

**Website: [www.mercantileventures.co.in](http://www.mercantileventures.co.in); Email : [admin@mercantileventures.co.in](mailto:admin@mercantileventures.co.in),**

## **Terms of appointment of Independent Directors of the Company**

Independent Directors are appointed by the Board, based on the recommendations of the Nomination and Remuneration Committee. The appointment shall be subject to the approval of the shareholders at the general meeting of the Company and governed by the requirements of the Companies Act, 2013 (the Act), the Rules made thereunder, SEBI Regulations and the Articles of Association of the Company (AoA), as amended, from time to time.

The term of an Independent Director is up to five consecutive years on the Board of the Company but shall be eligible for re-appointment on passing of a special resolution by the Company for a second consecutive terms of five years. 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.

The appointment shall also be subject to the provisions of Schedule IV to the Act, which, inter alia, contains the guidelines for professional conduct, role and functions and duties of an independent director. It has also been stipulated that all the Independent Directors shall hold at least one meeting in a year, without the attendance of non-Independent Directors and Members of the Management.

The Independent Directors are to adhere to the aforesaid requirements in letter and spirit and contribute for the overall growth of the Company for the benefit of all the stakeholders. They will also serve as a Member of the Committees as may be decided by the Board from time to time, such as Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and other Committees as may be constituted by the Board.

An Independent director shall be held liable, only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board processes and with his consent or connivance or where he had not acted diligently.

In addition to the above, the Independent Directors are required to adhere to the Code of Business Conduct & Ethics and Code of Conduct for prevention of Insider Trading, laid down by the Board, for the Directors and Senior Management of the Company. They are also required to furnish a declaration of their meeting the criteria of independence stipulated under Section 149 of the Act, every year which is to be placed before the Board at the first meeting of the financial year.

The Independent Directors are entitled to be paid sitting fees as determined by the Board from time to time for attending the meetings of the Board and the Committees.

In addition to this, the Company shall bear the expenses for the travel, accommodation and local conveyance for attending the meetings of the Board/Committee and for attending to their duties for the business of the Company.

-----