



CAPITAL TRADE

LINKS LTD.

CIN : L519090DL1984PLC019622

TERMS AND CONDITIONS FOR
APPOINTMENT OF
INDEPENDENT DIRECTORS

Registered Office – 102-103, First Floor Surya Kiran Building, 19 K.G. Marg Connaught Place New Delhi-110001
Corporate Office - Office No. 1, 3rd Floor, Mahalaxmi Metro Tower, C-1, C-2, Sector-4 Vaishali, Ghaziabad-201010
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TERMS OF APPOINTMENT

- Subject to the approval of the Members of the Company, the term of appointment of Independent Directors is for a period of 5 consecutive years from the date of their being appointed or designated as such on the Board of the Company.
- Independent Directors will be eligible to be re-appointed for a further period of 5 consecutive years, after the completion of their tenure of first 5 years, subject to Board approval, and the passing of a Special Resolution by Shareholders.

ROLE, DUTIES AND RESPONSIBILITIES

- A. As members of the Board, they along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:
- Requirements under the Companies Act, 2013, Insurance Act, 1938 and other applicable Regulations, guidelines etc.
 - Accountability under the Director's Responsibility Statement.
- B. They shall abide by the 'Code For Independent Directors' as outlined in Schedule IV of the Companies Act, 2013 and duties of directors as provided in the Companies Act, 2013.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Agreement, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation.

DISCLOSURES, OTHER DIRECTORSHIPS AND BUSINESS INTERESTS

During the Term, they agree to promptly notify the Company of any change in their directorships, and provide such other disclosures and information as may be required under the applicable laws/Regulations/Guidelines. They also agree that upon becoming aware of any potential conflict of interest with their position as Independent Directors of the Company, they shall promptly disclose the same to the Board of Directors.

During their Term, they agree to promptly provide a declaration under Section 149(7) of the Companies Act, 2013, annually or upon any change in circumstances which may affect their status as an Independent Director, as the case may be.

CONFIDENTIALITY

All information acquired during 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 any law or mandated by any Regulatory body.

TERMINATION

An Independent director may resign from his position at any time by serving a reasonable written notice to the Board of Directors.

Continuation of the appointment is contingent on his getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013 and the Articles of Association of the Company, from time to time in force.

Appointment of independent director may also be terminated in accordance with the provisions of the Articles of Association of the Company and / or Companies Act, 2013, regulations as amended there shall apply from time to time.

The Board may prescribe any further duties and responsibilities, including as per the provisions of the applicable laws, regulations, guidelines etc.

PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS

The Act and SEBI(LODR), 2015

- The Companies Act, 2013 has enabled an evaluation mechanism to appraise the performance of the Independent Directors.
- Criteria for evaluation shall be laid by Nomination and Remuneration Committee.
- The criteria shall be disclosed in the Annual Report of the Company.
- The performance of Independent Directors shall be done by the entire Board of Directors (excluding the Director being evaluated).
- On the basis of evaluation, it shall be determined whether to extend or continue the term of appointment.

Points to Note:

- The Nomination and Remuneration Committee should lay down the evaluation criteria which will be adopted by the Board.

Suggestion:

- It is hereby suggested that the criteria for evaluation of the Independent Directors may be on the following parameters:

➤ **Personal Traits/ General Criteria:**

- a) Highest personal and professional ethics, integrity and values ;
- b) Inquisitive and objective perspective, practical wisdom and mature judgment;
- c) Demonstrated intelligence, maturity, wisdom and independent Judgment
- d) Self-confidence to contribute to board deliberations, and stature such that other board members will respect his or her view;
- e) The willingness and commitment to devote the extensive time necessary to fulfill his/her duties;
- f) The ability to communicate effectively and collaborate with other board members to contribute effectively to the diversity of perspectives that enhances Board and Committee deliberations, including a willingness to listen and respect the views of others; and
- g) The skills, knowledge and expertise relevant to the Company's business, with extensive experience at a senior leadership level in a comparable company or organization, including, but not limited to relevant experience in manufacturing, international operations, public service, finance, accounting, strategic planning, technology and marketing, etc.

➤ **Specific Criteria :**

- a) Participation and contribution by a Director;
- b) Commitment , including guidance provided to the Senior Management outside of Board/ Committee Meetings;
- c) Effective deployment of knowledge and expertise;

- d) Effective management of relationship with various stakeholders;
- e) Independence of behaviour and judgment.
- f) Maintenance of confidentiality of critical issues.

Further the Committee/Board shall be authorised to modify the criteria as it may deem fit and necessary.

Conclusion:

The Committee may devise a criteria based on the above mentioned parameters and the same will be approved/adopted by the Board. Performance Evaluation Format is Attached.

PERFORMANCE MEASUREMENT OF INDEPENDENT DIRECTORS

- The Nomination and Remuneration Committee of the Board shall authorize the evaluation criteria.
- The criteria shall be disclosed in the Annual Report of the Company.
- The evaluation shall be undertaken by the Board facilitated by an independent external agency to ensure objectivity and equity.
- Evaluation criteria

Factors	Attributes
Role & Accountability	<ul style="list-style-type: none"> • Understanding of nature and role of independent directors’ position • Understanding of risks associated with the business. • Application of knowledge for rendering advice to Management for resolution of business issues. • Offer constructive challenge to Management strategies and proposals. • Active engagement with the Management and attentiveness to progress of decisions taken
Objectivity	<ul style="list-style-type: none"> • Non-partisan appraisal of issues. • Own recommendations given professionally without tending to majority or popular views
Leadership & Initiative	<ul style="list-style-type: none"> • Heading Board Sub Committees • Driving any function or identified initiative based on domain knowledge and experience.
Personal attributes	<ul style="list-style-type: none"> • Commitment to role & fiduciary responsibilities as a board member • Attendance and active participation and not done perfunctorily. • Proactive, strategic and lateral thinking