

Ushdev International Ltd.

**FAMILIARISATION PROGRAM FOR  
INDEPENDENT DIRECTORS**

# Eligibility - Independent Directors

**As per Companies Act, 2013 an “ Independent Director” is, inter alia, a person who:**

- Is or was not a Promoter of the Company or its holding, subsidiary, associate company or is not related to the promoters or directors in Company or its holding, subsidiary, associate Company.
- A person who:
  - Has no pecuniary relationship with the Company or its holding, subsidiary, associate company or their promoters, directors;
  - none of whose relatives have a pecuniary relationship or transactions with the Company or its holding, subsidiary, associate company or their promoters or directors amounting to lower of 2% of its gross turnover or total income or Rs. 50 lakhs, during 2 immediately preceding financial year or during current financial year.

# Eligibility - Independent Directors

**As per Companies Act, 2013 an “ Independent Director” is, inter alia, a person who:**

- Neither himself nor any of his relative in **any of the THREE** preceding financial years :
  - Was KMP or employee of the Company or its holding, subsidiary, associate Company.
  - is or has been an employee / proprietor / partner of firm of Auditors, Company Secretary in practice or Cost Auditors of the Company or its holding, subsidiary, associate Company or;
  - legal / consulting firm having transaction with Company or its holding, subsidiary, associate Company amounting to 10% or more of gross turnover of such firm.
- Neither himself nor any of his relative hold together 2% or more of the voting powers in the Company.
- Neither himself nor any of his relative is Chief Executive or Director of Non Profit Organization that receives 25% or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary, associate Company or that holds 2% of voting powers in the Company.

# Role of Independent Directors

## **Independent Director shall:**

- 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;
- bring an objective view in the evaluation of the performance of board and management;
- scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- safeguard the interests of all stakeholders, particularly the minority shareholders;
- balance the conflicting interest of the stakeholders;
- 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;
- moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

# Duties of Independent Directors

## Duties of the Independent Director include:

- Undertaking appropriate induction and regularly updating their skills, knowledge and familiarity with the company and seek appropriate clarifications and information and where necessary, take appropriate actions wherever required.
- To strive and attend all Board meetings and those of Board committees of which he is a member and participate constructively and actively in such committees
- To strive and attend the general meetings of the company;
- To ensure that concerns, if any, in running of the Company are addressed by the Board and to the extent they remain unresolved, insist that their concerns are recorded in the minutes of the Board meeting;
- Not to unfairly obstruct the functioning of Board or committee of the Board.

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## Duties of Independent Directors ...2

### **Duties of the Independent Director include:**

- To ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- Ensure that the company has an adequate and functional vigil mechanism;
- Report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- Assist in protecting the legitimate interests of the company, shareholders and its employees;
- 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.

## **TERM OF OFFICE OF INDEPENDENT DIRECTOR**

### **INDEPENDENT DIRECTOR SHALL HOLD OFFICE FOR:**

- a period of **FIVE** years (Original Term) with Additional Term of **FIVE** years subject to passing of Special Resolution by Shareholders of the Company.
- After expiry of aforementioned term of **TEN** years, such Director will be ineligible for re-appointment for a period of 3 years of ceasing to become an Independent Director.
- The office of the independent director will not be liable to retire by rotation.
- A person shall not serve as an Independent Director in more than 7 listed companies. Any person who is serving as a Whole-time Director in any listed company shall serve as Independent Director in not more than 3 listed companies.

## **REMUNERATION OF INDEPENDENT DIRECTOR**

### **AN INDEPENDENT DIRECTOR SHALL:**

- Receive remuneration by way of fee for attending meeting of Board or Committee thereof.
- Be entitled to reimbursement of expenses for participation in the Board and other Meetings.
- Be entitled to profit relation commissions as per the provisions of Companies Act, 2013 and as may be approved by the members .
- Not be entitled to participate in any stock option.



# Evaluation of and by Independent Directors

## SEPARATE MEETINGS:

The independent directors of the company shall hold at least **ONE MEETING** in a year, without the attendance of non-independent directors and such meeting shall

- review the performance of non-independent directors and the Board as a whole;
- review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- assess the quality, quantity and timeliness of flow of information between the company management and the Board.

## EVALUATION MECHANISM:

- The performance of Independent Directors shall be evaluated by the entire Board of Directors, excluding the director being evaluated.

# Independent Directors - other provisions

## COMPOSITION OF INDEPENDENT DIRECTORS IN COMMITTEES:

The following Committees of a Company are mandatorily required to consist of Independent Director:

- Corporate Social Responsibility Committee – At least one Independent Director.
- Audit Committee – Majority shall be of Independent Directors.
- Nomination and Remuneration Committee – Not less than one-half shall be Independent Directors.

## PROVISION WITH RESPECT TO BOARD MEETING (SECRETARIAL STANDARDS -1):

- A meeting of the Board may be called at shorter Notice to transact urgent business subject to **presence of at least one independent director** at such meeting.
- Any item not included in the Agenda may be taken up for consideration with the permission of the Chairman and **with the consent of at least one Independent Director**.

**THANK YOU**