

FORMAT OF APPOINTMENT LETTER OF INDEPENDENT DIRECTOR

{Pursuant to the provisions of Sections 149 of the Companies Act, 2013 read with Schedule –IV and the Rules made thereof and as amended from time to time}

Date: ___(Month) ___(Date), ___(Year)

To,

Mr./ Ms. _____(Name)

Address: _____

Appointment as an Independent Director of Sharekhan Limited (the “Company”).

Dear Mr./ Ms. _____ (Name),

I am pleased to confirm that, the Board of Director of the Company has approved your appointment as an Independent Director of the Company, subject to the further approval of the Shareholder(s). I am writing to set out the terms of your appointment. Please note that this is a contract for services and is not a contract of employment.

Appointment

1. The appointment is for a term of Five years commencing from ___(Month) ___(Date), ___(Year) and ending on ___(Month) ___(Date), ___(Year) (the “**Termination Date**”) or any other date as per the terms of this letter (“**Term of Appointment**”). Unless resigned, your appointment shall come to an end on the Termination Date. The Appointment is subject to the Company’s Articles of Association (a copy of which will be provided to you upon the execution of this letter).
2. Notwithstanding the other provisions of this letter, the Appointment may be terminated at any time by the Company in accordance with the Company’s Articles of Association or the (Indian) Companies Act, 2013, or upon your resignation. Upon such termination or resignation, as the case may be, you shall not be entitled to any damages for loss of office and no fee will be payable to you in respect of any unexpired portion of the term of the Appointment. Upon such termination or resignation, as the case may be, you undertake to sign all appropriate paperwork that is required under any applicable laws. You can resign as an independent director of the Company by giving not less than 1 (one) month prior written notice to the chairperson of the Board of Directors (“**Board**”).
3. During the Appointment, you may be asked to serve on one or more of the committees constituted by the Board and you will be provided with copies of the terms of reference for each of those committees.
4. You are considered to be an independent director and will be identified as such in the annual report of the Company and other documentation as required under the Companies Act, 2013 (“**Act**”). If circumstances change and you believe that your independence may be in doubt, you should discuss this with the chairperson of the Board (“**Chairperson**”) as soon as practicable at the relevant time.

Time commitment

5. The Company anticipates a time commitment of not less than 12 (Twelve) days per year, but you are aware that the nature of the role makes it impossible to be specific about the time commitment. This will include attendance at regular and emergency meetings of the Board, the annual strategy meeting, and the general meetings of the Company. You may also be required to attend regular meetings of the

ii committees constituted by the Board of which you are a member. In addition, you will be expected to devote appropriate preparation time ahead of each meeting.

6. By accepting the Appointment, you confirm that you are able to allocate sufficient time to perform your role.

Role

7. As an independent director you have the same general legal responsibilities to the Company as any other director on the Board including all fiduciary duties, responsibilities, statutory obligations and liabilities of an independent director as prescribed under applicable laws. The Company hereby agrees and acknowledges that in your performance of your duties, obligations and responsibilities as prescribed under the applicable laws and this letter, you will rely on information as supplied by the Company. The Company shall undertake its best efforts to ensure that you are provided with all requisite and accurate data, information and documents relating to the affairs of the Company. In addition, your conduct will be governed by applicable law, including the guidelines for professional conduct set out under the code of independent directors, as provided in Section 149(8) read with Schedule IV of the Act (refer **Annexure A**), the duties of directors as set out under Section 166 of the Act. An illustrative list of your role, functions and duties are summarized in **Annexure B**. An illustrative list of actions which you should not do while functioning as an independent director of the Company are summarized in **Annexure C**.
8. The Board as a whole is collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs. The Board:
 - (a) provides entrepreneurial leadership of the Company within a framework of prudent and effective controls which enable risk to be assessed and managed;
 - (b) sets the Company's strategic aims, ensures that the necessary financial and human resources are in place for the Company to meet its objectives, and reviews management performance; and
 - (c) sets the Company's values and standards and ensures that its obligations to its shareholders and others are understood and met.
9. Your role, functions and duties as an independent director shall be in line with the Act. Additionally, you shall have the following responsibilities:
 - (a) being a member of the audit committee of the Board;
 - (b) being a member of the nomination and remuneration committee of the Board; and
 - (c) being a member of such other boards of the subsidiaries of the Company as may be agreed and part of the relevant committees of the Board as may be agreed upon.

It is clarified that your appointment on the aforesaid committees and/ or any committees in the future shall be subject to applicable law.

Compensation

10. Subject to applicable Indian law, from the (date of your appointment) you will be paid sitting fees of INR _____ per meeting of the Board and/or any of its committee meetings. The said amount would be paid on attendance.
11. The compensation described in clause 10 above is the gross amount payable per annum, which is subject to deductions of tax and any other deductions required by any applicable laws. You shall be responsible for your personal taxation.
12. If your term comes to an end, you resign or are terminated; you shall be paid any amounts due to you on a *pro rata* basis, subject to the Companies policy on compensation, if any.

Expenses

13. In addition to the compensation described in clause 10 above, the Company will bear your official travel expenses, hotel expenses, and all other reasonable out-of-pocket expenses relating to your role and responsibilities outlined in this letter.

Other directorships and business interests

14. The Company acknowledges that you have business interests other than those of the Company and that you have declared any conflicts that are apparent at present. In the event that you become aware of any potential conflicts of interest, these should be disclosed to the Chairperson and Company Secretary as soon as they become apparent.
15. During the Appointment you must consult with the Chairperson prior to accepting any other (or further) directorships of publicly quoted companies or any major external appointments.

Compliance

16. During the period of your appointment, you will comply with:
 - (a) Company's Code of Directors, copy of which is attached; and
 - (b) the Company's policies and procedures that the Board may adopt from time to time.

Intellectual Property Rights

17. Any data or invention that may evolve from any and all information provided by the Company for the purpose of performing your duties and responsibilities and/ or obtained in the performance of your duties and responsibilities under this letter and/ or any oral, written or electronic result of the performance of your duties and responsibilities under this letter (hereinafter collectively referred to as "the **Results**") by you shall belong to the Company and you agree to assign your rights in all such data, invention, results and/ or related patents to the Company (whether during the course of the Appointment or at any time after its termination as long as such data etc. is shared with you by the Company pursuant to your directorship). All such Results shall be considered as confidential information of the Company and treated as such by you pursuant to the terms and conditions of this letter.

Confidentiality

18. You must apply the highest standards of confidentiality and not disclose to any person or company (whether during the course of the Appointment or at any time after its termination) any Confidential Information concerning the Company and any of its group companies with which you come into contact by virtue of your position as an independent director of the Company.
19. All Confidential Information and copies thereof shall be the property of the Company and on termination of the Appointment you will deliver to the Company all books, documents, papers and other property of or relating to the business of the Company or any group company which are in your possession, custody or power by virtue of your position as an independent director of the Company (including any copies). The Company shall arrange the disposal of papers that you no longer require.

For the purpose of this clause, "**Confidential Information**" means information in whatever form (including, without limitation, in written, oral, visual or electronic form or on any magnetic or optical disk or memory, including personal computer networks, personal e-mail accounts or personal

accounts on websites, and all matter derived from such sources, and wherever located) relating to the business, clients, customers, employees, products, affairs and finances of the Company or any Mirae Asset Group Company for the time being confidential to the Company or any Mirae Asset Group Company and trade secrets including, without limitation, technical data and know-how relating to the business of the Company or any Mirae Asset Group Company or any of its or their suppliers, clients, customers, agents, distributors, shareholders or management, that you receive or obtain in connection with your appointment, whether or not such information is marked or orally advised to be confidential. “**Mirae Asset Group Company**” means a company operating under the brand name of “Mirae Asset” including Sharekhan entities acquired by Mirae Asset Group (including all its branches) and (direct and indirect) subsidiaries (whether in India or outside India).

20. Nothing in clauses 18 and 19 of this letter shall restrict you from disclosing the Confidential Information, or any third party information in the following circumstances:
- (a) to the extent that such information is in public domain other than by breach of this letter;
 - (b) to the extent that such information is required to be disclosed by any applicable law or required to be disclosed to any governmental authority;
 - (c) to the extent that any of such information is / are later acquired by you from a source not obligated to the Company to keep such information confidential; and
 - (d) to the extent that any of such information was previously known to you or was already in your lawful possession, prior to disclosure by the Company.

Personal Data

21. During the course of your appointment and/or in connection with your appointment, the Company may be required to obtain, store, disclose and/or process your personal or sensitive personal data (as understood under the Information Technology Act 2000 (collectively, “SPD”) *inter alia* for administrative reasons. By accepting this appointment, you hereby consent to the Company to:
- (a) collect, use, store and process your SPD;
 - (b) disclose to and share your SPD with another entity within the Mirae Asset group, relevant governmental authorities or third parties where required by law or necessary by reason of your appointment as an independent director; and
 - (c) transfer your SPD outside of India to other countries where there may not be in place data protection laws substantially similar to those in India.

Review process

22. The performance of individual directors, the whole Board and its committees is evaluated annually. If, in the interim, there are any matters which cause you concern about your role you should discuss them with the Chairperson as soon as is appropriate.

Termination without notice

23. This letter and your Appointment by the Company will be terminated with immediate effect upon written notice to you in the event:
- (a) you are found to have breached terms of this letter and/ or the policies and procedures of the Company, and/ or conducted yourself in a manner inconsistent with your duties and obligations as an Independent Director; and/ or
 - (b) you do not satisfy the requirements of independence as set out in the Act, as determined by the Company at its sole discretion or any other applicable law or regulations.

Indemnity

24. The Company hereby agrees to indemnify and hold you harmless from and against any and all losses, proceedings and proceeding expenses suffered, paid and/or incurred by you in connection with,

arising out of or related to you acting as an independent director of the Company. It is clarified that the Company shall not have any obligation to indemnify you under this letter in connection with any matter, for which you are held to be guilty of fraud, default, misfeasance, breach of trust or gross negligence by a final, non-appealable order of a court having jurisdiction over the matter.

25. If any proceedings are initiated against you by reason of you acting as an independent director of the Company, you shall be free to appoint a counsel and take such defence as may be deemed appropriate and the Company's indemnity obligation aforesaid shall cover any reasonable costs and expenses (including attorney's cost) that you may incur in connection therewith. You shall also be free to take such measures as may be deemed appropriate to protect your interests.
26. Without prejudice to the generality of clause 24 and clause 25 above, the Company shall, at your request, pay all proceeding expenses (including the fee to counsel appointed by you) without awaiting a final determination in relation to such proceedings.

Directors' and officers' liability insurance

27. The Company hereby agrees that you shall be covered by the directors' and officers' liability insurance and any other insurance policy or policies providing liability insurance for independent directors, officers, employees, or agents or fiduciaries of the Company or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which such person serves at the request of the Company, and you shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such independent director, officer, employee, agent or fiduciary under such policy or policies. At the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on your behalf, all amounts payable as a result of such proceeding in accordance with the terms of such policies.

This letter of appointment will be disclosed to the shareholders as per the applicable laws including by placing a copy of this letter on the website of the Company. As mandated under applicable law, this letter will also be available for inspection by the shareholders of the Company. No variation of this letter shall be effective unless it is in writing and signed by you and the Company. Any dispute arising out of or in connection with this agreement shall be subject to the exclusive jurisdiction of courts in Mumbai, India. This agreement shall be governed by the laws of India without reference to its conflict of laws principles.

Please confirm your agreement to the above by signing and returning to me the enclosed duplicate of this letter.

Yours sincerely

For and on behalf of **Sharekhan Limited**

Name: _____

Designation: _____

DIN: - _____ (if applicable)

¹ This is a Model letter of Appointment and is subject to Amendment / modification.

I have read and agree to the above terms regarding my appointment as an independent director of **Sharekhan Limited**.

Mr./ Ms. _____ **(Name)**
Independent Director
DIN: - _____

Annexure A: Guidelines for Professional Conduct

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;
6. exercise 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;
7. 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
8. refrain from any action that would lead to loss of his independence;
9. where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly; and
10. assist the company in implementing the best corporate governance practices.

Annexure B: Roles, Functions and Duties

A. Roles and Functions

As an independent director you will:

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

B. Duties

As an Independent Director you will:

- (i) undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the Company;
- (ii) 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;
- (iii) strive to attend all meetings of the Board and of the committees of which you are a member;
- (iv) attend meeting(s) of the independent directors of the Company to:
 - (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; and
 - (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;
- (v) participate constructively and actively in the any committees in which you are a chairperson or member;
- (vi) strive to attend the general meetings of the Company;

- (vii) where you 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 your concerns are recorded in the minutes of the Board meeting;
- (viii) keep yourself well informed about the Company and the external environment in which it operates;
- (ix) not to unfairly obstruct the functioning of an otherwise proper Board or committee;
- (x) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure yourself that the same are in the interest of the Company;
- (xi) 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;
- (xii) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- (xiii) acting within your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees; and
- (xiv) 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.

Annexure C

The independent director shall:

1. not allow any extraneous considerations that will vitiate his exercise of objective;
 2. 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;
 3. not obstruct the functioning of an otherwise proper Board or committee; and
 4. subject to the exceptions set out in clause 20 of this letter, not disclose information acquired by him in his capacity as an independent director to any person except as authorized by the Board.
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