

TERMS AND CONDITIONS FOR THE APPOINTMENT AS INDEPENDENT DIRECTORS

I. Expectations of the Board of Directors (the Board):

An Independent Director (ID) on the Board of the Company shall be expected to adhere to the guidelines for professional conduct and the roles/functions as detailed in Schedule IV of Companies Act, 2013, set out under Annexure I of this document. The Independent Director shall also be expected to bring objectivity and independence of view to the Board and Board Committees, if any, discussions, and to help provide the Board with insight and effective leadership in relation to the Company's strategy, performance, and risk management, as well as ensuring high standards of financial probity and corporate governance.

II. Terms of Appointment:

1. The term of appointment of an ID is for a period of _____ years subject to approval of the shareholders of the Company. ID shall not be liable to retire by rotation. He/ She shall be eligible for re-appointment post completion of their tenure in accordance with the Companies Act, 2013, SEBI Regulations and the provisions of other applicable laws.
2. On or prior to the Termination Date, ID may cease to hold office as a director at any time, should he/she chooses to resign, by written notice, stating the reasons for resignation. The written notice of resignation shall be in the form and manner as provided in the Companies Act, 2013 and along with applicable laws.
3. Notwithstanding any other provisions of the terms and conditions, the Appointment of ID may be terminated at any time by the Company in accordance with the Company's Articles of Association and the Companies Act, 2013 including any amendment, modification, variation or re-enactment thereof. Upon such termination or resignation, the ID shall not be entitled to any damages for loss of office and no fee will be payable to them in respect of any unexpired portion of the term of the Appointment.
4. During the tenure of ID, the ID may be invited by the Board to serve on one or more of the Board committees and the copies of the terms of reference for each of such committees will be given to them upon such appointments. The Appointment of ID on Committees constituted from time to time will be duly communicated to them.
5. The Independent Director shall be identified as such in the annual report, public disclosures and other documentation. If circumstances change, and he/she believes that their independence may be in doubt, the same shall be informed to the Board/Chairperson, as soon as practicable.
6. **Duties:** As a member of the Board, along with other Board members, ID shall be responsible for fulfilling key functions and duties, as set out under Section 149(6), 166 read with Schedule IV of the Companies Act, 2013 and more particularly set out under Annexure – II of this Document; Securities & Exchange Board of India Act, 1992 and its rules, regulations, circulars, guidelines etc issued by SEBI from time to time and all other

applicable laws in force. An ID shall strive to avoid the occurrence of any events specified under Sections 164 and 167 of the Companies Act regarding disqualification and vacation of office.

7. **Time Commitment:** Considering the nature of the role of a director, it is difficult for the company to lay down specific parameters on time commitment. ID agrees to devote such time as is prudent and necessary for the proper performance of their role, duties and responsibilities as an Independent Director.

8. **Fees and Expenses:**

a. During the tenure, the ID shall be paid sitting fees, for attending the Board Meeting or any Committee thereof, as the Board of Directors may decide from time to time. Fees will be paid post necessary statutory deductions, as required under applicable laws.

b. In addition to the fee described in C (1) above, the Company shall reimburse the expenses incurred by ID for participation in the Board and other Committee meetings. The Company shall, during the tenure of their appointment, reimburse them for the travel, hotel and other incidental expenses incurred by them from time to time in the performance of their role and duties as a director of the Company. ID should submit details of expenses incurred to the _____.

c. In addition to the above, the ID may be remunerated by the Company as authorized by the Board of Directors in accordance with the provisions of the Companies Act, 2013 and the rules thereto. The remuneration shall be subject to applicable taxes and the Company may withhold therefrom any amounts as are required to be withheld pursuant to applicable laws. Any tax liability arising in respect of payments made pursuant to ID's remuneration shall be borne solely by them.

9. **Other directorships and business interests:** The Company acknowledges that the Independent Director (ID) may have business interests other than those of the Company and that the ID shall declare any conflicts of interest that are apparent at present. In the event that the ID becomes aware of any potential conflicts of interest, these shall be disclosed to the Chairperson of the Board as soon as they become apparent. The ID shall comply with the provisions of Section 165 of the Companies Act, 2013, regarding the maximum number of directorships and committee memberships that may be held by a Director.

10. **Dealing in shares and Code of conduct:** During the tenure with the company, the ID shall comply with all relevant regulations as may be issued by Securities and Exchange Board of India, Ministry of Corporate Affairs, provisions of the Companies Act, 2013, and rules made thereunder including the Schedule IV (Code of Conduct) of the Companies Act, 2013, Code of Conduct – Part A of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, various Policies of the Company and such other requirements as the Board of Directors may from time to time specify. The code of conduct is provided as Annexure III.

11. **Orientation Program:** The Company would also endeavour to arrange for an orientation program for the ID, wherein the CEO and/ or Senior Management shall make a detailed presentation to enable the ID to understand the Company, its

business, financial matters, management team, etc.

12. **Confidentiality:** The ID shall apply the highest standards of confidentiality and not disclose to any person or company, information acquired during their tenure as director of the Company or following separation, to third parties, without prior clearance from the Chairperson of the Company, to comply with the demand or order of a competent court of law or governmental or regulatory body. The ID shall surrender any of such documents and other materials made available to them by the Company. As a director, he/she are also subject to and bound by the prohibition and restrictions against insider trading and disclosure of unpublished price sensitive information, as prescribed under the Act and the regulations issued by the Securities and Exchange Board of India ("SEBI"). ID would have to strictly abide by SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended or replaced from time to time) and all other regulations issued by SEBI, in this regard, from time to time.

13. **Conflict of Interest:**

a. It is accepted and acknowledged that the ID may have directorships/ business interests other than those of the Company. As a condition precedent to their appointment commencing, the ID is required to declare their directorships, appointments and interests to the Board in writing in the prescribed form. Thereafter, they need to make additional/ fresh disclosures, whenever there is a change or potential change in the disclosed interest/directorship, within a reasonable time, but not beyond the succeeding Board Meeting, and also annually before the commencement of each financial year.

b. Additionally, the ID shall also give an annual declaration that he/she meets all the criteria for independence as specified in Section 149 of the Act.

c. In the event that circumstances change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgment that the ID are not independent, this should be disclosed to the Board immediately through _____.

d. The Company is required to include in its annual accounts a note of any material interest that a Director may have in any transaction or arrangement that the Company has entered into. Such interest should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record the ID's interest appropriately and the company records are updated. A general notice that the ID are interested in any contracts with a particular person, firm or company is acceptable.

14. **Independent Professional Advice:** There may be occasions when the ID may consider that they require professional advice in furtherance of their duties as a Director. He/she may consult independent advisors at the Company's expense subject to an advance intimation to the Company about such proposed consultation. The Company agrees to reimburse all professional fees reasonably & properly incurred by the ID for such advice.

15. **Evaluation process:** The performance of the ID shall be evaluated annually in accordance with provisions of the Companies Act, 2013, more specifically as mentioned in Annexure III of this Document. If, in the interim, there are any matters

which cause concern about their role, the ID should discuss them with the Chairperson as soon as is appropriate. Based on performance evaluation report, it shall be determined whether to extend/continue the term of their appointment as an Independent Director.

16. **Liability:** While it is expected that in the performance of the duties the ID will exercise all diligence and care, they will be liable in respect of such acts of omission or commission by the Company which had occurred with their knowledge, attributable through Board processes and with their consent or connivance or where they had not acted diligently, which lead to penal consequences and damages for the Company. The company has Directors' and Officers' liability insurance which covers the Independent Director as well. The company shall maintain such cover for the full term of their appointment as may be felt necessary. The company shall ensure that the premiums for the same are paid in time.

17. **Governing Law:** This letter of appointment is governed by and will be interpreted in accordance with Indian laws and your engagement shall be subject to jurisdiction of Chennai Courts.

Note: These terms and conditions are in draft form and are subject to amendments or modification to ensure compliance with applicable laws and regulations. This draft should not be construed as final or legally binding.

ANNEXURE I

Guidelines of Professional Conduct for an Independent Director as per Schedule IV of the Companies Act, 2013

An Independent Director of the Company shall:

1. Uphold ethical standards of integrity and probity;
2. Act objectively and constructively while exercising his duties;
3. Exercise responsibilities in a bona fide manner in the interest of the company;
4. Devote sufficient time and attention to 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 your 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 and where any circumstances arise which make him lose his independence, he must immediately inform the Board;
8. Assist the company in implementing the best corporate governance practices.

Role and Functions of an Independent Director as per Schedule IV of the Companies Act, 2013:

An Independent Director of the Company 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 the Board and the management of the Board;
3. Scrutinize the performance of the management in meetings agreed goals and objectives and monitor the reporting of the performance;
4. Satisfy yourself 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;
6. Balance the conflicting interest of the shareholders;
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.

ANNEXURE II

Duties of an Independent Director as per Schedule IV of the Companies Act, 2013

An Independent Director of the Company shall:

1. Undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the Company;
2. 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;
3. Strive to attend all meetings of the Board of Directors and of the Board committees of which you are a member;
4. Participate constructively and actively in the committees of the Board in which you are chairpersons or members;
5. Strive to attend the general meetings of the Company;
6. 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 their concerns are recorded in the minutes of the Board meeting;
7. Keep yourself well informed about the Company and the external environment in which it operates;
8. Not unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
9. 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;
10. 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;
11. Report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
12. Acting within his authority assist in protecting the legitimate interests of the company, shareholders and its employees;
13. 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.

Duties of the Directors as per Section 166 of the Companies Act, 2013

Director of the Company shall:

1. Act in accordance with the Articles of the Company, subject to the provisions of this Act;
2. Act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, and the community and for the protection of environment;
3. Exercise your duties with due and reasonable care, skill and diligence and exercise independent judgment;
4. Not be involved in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company;

5. Not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners, or associates and if you are found guilty of making any undue gain, you shall be liable to pay an amount equal to that gain to the company;
6. Not assign your office and any assignment so made shall be void;
7. **Separate meetings:**
 1. The independent directors of the company shall hold at least one meeting in a financial 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 Lead Independent Director presides over such meetings and may invite the Chairperson, any whole-time director and any senior management personnel to make presentations on relevant issues.
 4. 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.
8. Contravention of the provisions of this section shall be punishable with fine in accordance with the companies act, 2013 or any amendments made thereof.

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 performance evaluation report, it shall be determined whether to extend or continue the term of appointment of the independent director.

ANNEXURE III

Code Of Conduct as per Fifth Schedule of SEBI Mutual Fund Regulations, 1996

1. Mutual funds schemes should not be organised, operated, managed or the portfolio of securities selected, in the interest of sponsors, directors of asset management companies, members of Board of trustees or directors of trustee company, associated persons as in the interest of special class of unitholders other than in the interest of all classes of unitholders of the scheme.
2. Asset Management Company ("AMC") must ensure the dissemination to all unitholders of adequate, accurate, explicit and timely information fairly presented in a simple language about the investment policies, investment objectives, financial position and general affairs of the scheme.
3. AMC should avoid excessive concentration of business with broking firms, associates and also excessive holding of units in a scheme among a few investors.
4. AMC must avoid conflicts of interest in managing the affairs of the schemes and keep the interest of all unitholders paramount in all matters.
5. AMC shall ensure that the assets and liabilities of each scheme are segregated and ring-fenced from other schemes of the mutual fund; and bank accounts and securities accounts of each scheme are segregated and ring-fenced.
6. AMC shall carry out the business and invest in accordance with the investment objectives stated in the offer documents and take investment decision solely in the interest of unitholders.
7. AMC must not use any unethical means to sell, market or induce any investor to buy their schemes.
8. AMC shall maintain high standards of integrity and fairness in all their dealings and in the conduct of their business.
9. AMC shall render at all times high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgment.
10. The asset management company shall not make any exaggerated statement, whether oral or written, either about their qualifications or capability to render investment management services or their achievements.
11. (a) The sponsor of the mutual fund, the trustees or the asset management company or any of their employees shall not render, directly or indirectly any investment advice about any security in the publicly accessible media, whether real-time or non-real-time, unless a disclosure of his interest including long or short position in the said security has been made, while rendering such advice.
(b) In case an employee of the sponsor, the trustees or the asset management company is rendering such advice, he shall also disclose the interest of his dependent family members and the employer including their long or short position in the said security, while rendering such advice.

The independent directors of the AMC shall pay specific attention to the following, as may be applicable, namely:—

- (i) the Investment Management Agreement and the compensation paid under the agreement,
- (ii) service contracts with associates—whether the asset management company has charged higher fees than outside contractors for the same services,

- (iii) selections of the asset management company's independent directors,
- (iv) securities transactions involving associates to the extent such transactions are permitted,
- (v) selecting and nominating individuals to fill independent directors vacancies,
- (vi) code of ethics must be designed to prevent fraudulent, deceptive or manipulative practices by insiders in connection with personal securities transactions,
- (vii) the reasonableness of fees paid to sponsors, asset management company and any others for services provided,
- (viii) principal underwriting contracts and their renewals,
- (ix) any service contract with the associates of the asset management company.