

Ref no: [●]

Date: [●]

To: [●]

Dear [●]:

Sub: Appointment as Non-executive Independent director of Institutional Investor Advisory Services India Limited (“Company”)

We wish to inform you that the Board of directors of the Company (“**Board**”) was pleased to appoint you as a Non-Executive Independent Director (“**ID**”) of the Company, subject to shareholder approval at the ensuing annual general meeting.

This letter of appointment (“**Letter**”) is being issued to comply with the requirements of Schedule IV to the Companies Act, 2013 (“**Act**”) and sets out the terms and conditions governing your appointment as ID of the Company, which are as follows:

Term of appointment

Your term as an additional director shall be valid till the ensuing annual general meeting of the Company, at which your appointment as an ID will be regularized by shareholders. Your appointment will be made pursuant to the provisions of the Act, for a period of [●] years beginning from [●] upto [●]. Note that in terms of the Act, you shall not be liable to retire by rotation.

Reappointment at the end of the term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the shareholders. Your reappointment would be considered based on the outcome of the performance evaluation process and you continuing to meet the independence criteria.

Role of Director

The duties of all directors, both Executive and Non-Executive, some of which are fiduciary in nature, are defined under the Act. In addition, you shall be expected to abide by the ‘Code For Independent Directors’ as outlined in Schedule IV of the Act, Code of Conduct as adopted by the Board and duties of directors as provided in the Act. For your ready reference, the relevant provisions have been extracted and attached to this letter.

You will be expected to participate as an active member of the Board through:

- attendance at all board meetings in accordance with the requirements of the Act;
- attendance at General Meetings;
- strategic planning sessions, if required;
- membership/chair of board committees or subsidiary company directorships, as may be required from time to time;
- providing guidance in your area of expertise.

Institutional Investor Advisory Services India Limited

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CIN: U74990MH2010PLC204788



You will need to commit to at least one day each quarter to fulfil your directorial duties, including adequately preparing for meetings, attendance at meetings and undertaking allocated follow-up tasks, office and site visits as necessary, as well as being available for ad hoc discussions from time-to-time. You agree to devote such time as is prudent and necessary for the proper performance of your role, duties and responsibilities as an ID.

Note that being an ID, you may be held liable only in respect of such acts of omission or commission by the Company which have occurred with your knowledge, attributable through Board processes, and with your consent or connivance or where you have not acted diligently.

While functioning as an ID of the Company, you are not permitted to undertake the following actions:

- unfair obstruction of the functioning of an otherwise proper Board or committee of the Board and
- disclosure of 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.

Remuneration & Expenses

The Company currently does not pay its directors any sitting fees. However, you will be reimbursed for all expenses incurred in your role as a Director. This could include reimbursement of expenditure incurred by you for accommodation, travel and any out-of-pocket expenses for attending Board/ Committee meetings, General Meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the Company for Directors) and in obtaining professional advice from independent advisors in the furtherance of your duties as an ID, subject to the expense being reasonable.

Your entitlement to any remuneration/ commission/ bonus during the term of your appointment and participation in any employee stock option scheme operated by the Company shall be subject to the provisions of the Act, as may be amended from time to time.

Disclosures & Conflict of Interest

You are required to make certain disclosures under the Act. These include giving notice to the Board of any relevant or material personal interest or conflict in relation to the affairs or business of the Company. You are also required to disclose any change in circumstances which gives rise to a conflict of interest or affects your status as an ID. You also agree to promptly notify the Company of any change in your directorships and provide such other disclosures and information as may be required under the applicable laws.

During your term, you shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

During your term, you agree to promptly provide a declaration confirming that you meet the criteria of independence as provided in Section 149(6) of the Act and that you are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact your ability to discharge your duties with an objective independent judgment and without any



external influence. This declaration shall be submitted at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect your status as an ID.

Confidentiality

In your role as a Director, you will be in possession of confidential information about the Company and its affairs. You may only use that information in the proper performance of your duties or as required by law; you must not use it to gain advantage for yourself or others, or to the detriment of the Company. Your obligation of confidentiality shall survive cessation of your directorship with the Company.

Additionally, you shall not participate in any business activity which might impede the application of your independent judgment in the best interest of the Company.

Disengagement

You may resign from your position at any time and should you wish to do so, you are requested to serve a written notice on the Company. In terms of provisions of the Act, you are required to file a copy of your resignation letter with the Registrar of Companies.

Further as specified in the Act, note that notwithstanding the provisions of this letter; the appointment of any director, including your appointment, maybe terminated in accordance with the provisions of the Articles of Association of the Company or on failure to meet the parameters of independence as defined in Section 149(6) or on the occurrence of any event as defined in Section 167, section 168 or section 169 of the Act (as detailed in Annexure B).

Your directorship on the board of the Company shall cease in accordance with prevailing law.

Miscellaneous

You will be expected to conduct yourself in accordance with the policies of the Company – to the extent applicable, which the Company expects from all its directors and employees. The policies can be accessed on the Company’s website at: <https://www.iiasadvisory.com/about#policies> .

Note that, subject to the provisions of the Act there may be an annual evaluation of the performance of the Board as a whole, Board Committees and Directors.

Further, in line with the provisions of the Act, the Company will make public the terms and conditions of your appointment and will also arrange for it to be displayed on the Company’s website.

Please sign and return the attached copy in acknowledgement.

We look forward to your acceptance of the abovementioned offer, and to your support and guidance.

We are eager to have you as an integral part of the growth of our Company.



Yours sincerely,

I accept the appointment and the terms and conditions thereof:

[●]

DIN: [●]

Date: [●]

Place: [●]

[●]

DIN: [●]

Date: [●]

Place: [●]

Encl:

Annex A: Duties of Directors and Code for Independent Directors under the Companies Act, 2013

Annex B: Disqualifications and Vacation of Office criteria under the Companies Act, 2013



Annexure A

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Duties of Directors and Code for Independent Directors under the Companies Act 2013



Duties of Directors under Section 166 of Companies Act 2013

1. Subject to the provisions of this Act, a director of a company shall act in accordance with the Articles of the company.
2. A director of a company shall 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, the community, and for the protection of environment.
3. A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
4. A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
5. A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
6. A director of a company shall not assign his office and any assignment so made shall be void.
7. If a director of the company contravenes the provisions of this section such director shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.

Code for Independent Directors under Schedule IV of the Companies Act 2013

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

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

II. Role and functions:

The independent directors 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 board and management;
- (3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves 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, particularly the minority shareholders;
- (6) balance the conflicting interest of the stakeholders;
- (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.

III. Duties:

The independent directors shall—

- (1) undertake appropriate induction and regularly update and refresh their 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 he is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the company;
- (6) where they 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 themselves well informed about the company and the external environment in which it operates;
- (8) not to 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 themselves 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.



Annexure B

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Disqualifications and Vacation of Office



Section 149(6) of the Companies Act, 2013

This section defines an Independent Director as follows:

An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director:

- (a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- (b) who is or was not a promoter of the company or its holding, subsidiary or associate company; who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- (c) who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- (d) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- (e) who, neither himself nor any of his relatives:
 - i. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
 - a) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - b) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;
 - iii. holds together with his relatives two per cent. or more of the total voting power of the company; or
 - iv. is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company; or
- (f) who possesses such other qualifications as may be prescribed.

Failure to meet the any of the criteria as aforementioned, would lead to termination of service.

Section 167 of the Companies Act, 2013

Section 167 states that a Director will be liable to vacate his office in the following circumstances:

1. if he incurs any disqualification mentioned under Section 164
2. if he absents himself from all meetings of the Board of Directors held within a period of 12 months, whether or not he seeks a leave of absence



3. he acts in contravention of the provisions of section 184 relating to entering into contracts or arrangements in which he is directly or indirectly interested
4. he becomes disqualified by an order of a court or the Tribunal
5. he is convicted by a court of any offence and sentenced in respect thereof to imprisonment a period of 6 months or more
6. if he ceases to hold any office or other employment in a holding, subsidiary or associate company , by virtue of which he is appointed as a Director herewith.

Section 168 of the Companies Act, 2013

As per Section 168, the association of a Director terminates with the company on resigning from his office. It is to be noted that, the director's liability for the offences that occurred during his tenure shall not cease even after his resignation.

Section 169 of the Companies Act, 2013

Under Section 169, a Director can be removed from his office before the expiry of his term, by the company passing an ordinary resolution to this effect.