

DATE<>

<NAME OF THE DIRECTOR>

<ADDRESS OF THE DIRECTOR>

Sub: Your appointment / re-appointment as Non-executive Independent Director of the Company under the Companies Act, 2013

Dear _____,

We take pleasure in informing you that the shareholders at the ___ Annual General Meeting of the Company held on _____ have approved your appointment / re-appointment as an Independent Director of the Company, pursuant to the provisions of the Companies Act, 2013 and the Rules there under (“the Act”).

As required under the Act, this letter of appointment is issued to formalise your appointment as an Independent Director. Kindly note that you will not be deemed to be an employee of the Company and this letter does not constitute a contract of employment.

1. Appointment

- 1.1 Your appointment as an Independent Director of the Company is for a term of ___ consecutive years ie. from _____ to _____. You will not be liable to retire by rotation.
- 1.2 The Company has adopted the provisions with respect to appointment and tenure of Independent Directors, which are consistent with the provisions of the Act.
- 1.3 You have been appointed as an independent director, meeting all the criteria stipulated under the Act and hence whenever there is any change in the circumstances which may affect your status as an independent director, the same may be declared to the Board.

2. Committees of the Board

- 2.1 During your term of office, you may be appointed on one or more Committees of the Board, if any, as the Board deems fit. Your appointment to such Committee(s) will be subject to the applicable regulations.

3. Meetings

- 3.1 The Board of Directors of the Company ('Board') meets at regular intervals with an annual calendar, which is finalised in advance in consultation with all the Directors. A minimum of 5 Board meetings are held each year.
- 3.2 You will be expected to attend meetings of the Board and the Board Committees to which you may be appointed in the future in addition to the Shareholders meetings (Annual General Meeting/Extraordinary General Meeting) and to devote such time to your duties, as appropriate for you to discharge your duties effectively. Ordinarily, all meetings are held in Chennai. However, in view of the current pandemic situation the meetings during the last two quarters have been held on video conferencing mode. This will continue to be so until the situation improves.

4. Role and Duties

- 4.1 Your role and duties as Independent Director will be those as required of all Directors under the Act.

5. Responsibilities and Functions

Independent Directors have the same general responsibilities as that of other Directors on the Board as enumerated in the Act.

6. Compensation

- 6.1 You will be paid remuneration by way of sitting fees, as decided by the Board from time to time, for attending meetings of the Board. Presently, for Board meetings the sitting fee is Rs.20,000/- per meeting.
- 6.2 In addition to the above, you will be entitled to reimbursement of all expenses incurred by you in connection with your participation in the Board and Board-Committee meetings.

7. Disclosure of Interest

In respect of your business interests in other entities, if any, to avoid any conflict of interest, you are expected to disclose to the Board, in writing, through the Company Secretary, the nature of interest, both direct and indirect, in any contract or arrangement entered or proposed to be entered by the Company with such entities. In

the event of any change in the nature of your interest, the same shall also be disclosed to the Board forthwith. Further, as stipulated under the Companies Act, 2013, you shall abstain from participating in the Board/Committee Meeting where there is a deliberation or voting on any item of business in respect of which you are interested.

8. Code of Conduct

Independent Directors are governed by the Code of Conduct as enumerated in Schedule VII of the Act.

9. Confidentiality

All information acquired during your tenure of office concerning the Company and the Group companies is confidential and shall not be disclosed to third parties. This requirement extends beyond your period of office as Director.

Price-sensitive information is expected to be kept confidential. Further, in terms of the Act, you shall neither enter into forward dealings in the securities of the Company or its Holding Company nor enter into any insider trading activity in relation to the securities of the Company.

10. Evaluation mechanism

The performance of the Board as a whole, of the Individual Directors and of the Board-Committees will be evaluated on a periodical basis keeping in view the objectives of the Company. The evaluation process will be used constructively as a mechanism to improve Board effectiveness. Your continuation in the Board would be subject to the outcome of the evaluation process.

11. Directors and Officers Insurance Policy

The Directors are covered under the Policy from risks arising from stakeholder claims against them.

12. Professional Advice

If the Board considers it necessary to seek independent professional advice with regard to legal, financial or other advice in the furtherance of its duties, then the Company Secretary or the Chief Financial Officer of the Company may be directed to obtain such advice and provide copies of the same.

13. Resignation

You may resign from your position at any time and should you wish to do so, you are requested to communicate the same in writing to the Board.

14. Retirement

As per the Company policy, the age of retirement for Non-executive Directors is 70 years.

We look forward to your association with the Company and your contribution to the Board/Board-Committee deliberations for the Company's benefit and betterment in the years to come.

Yours sincerely,

For Cholamandalam Securities Limited

Director