

**SKP Securities Ltd**

Registered Office:  
Chatterjee International Centre  
Level 21  
33A Jawaharlal Nehru Road  
Kolkata 700 071, India

Phone:  
+91 33 4007 7000

Fax:  
+91 33 4007 7007

Website:  
www.skpmoneywise.com

E-mail:  
info@skpmoneywise.com

CIN :  
L74140WB1990PLC049032

**Draft Letter of Appointment issued/to be issued to the Independent Director**

Date: .....

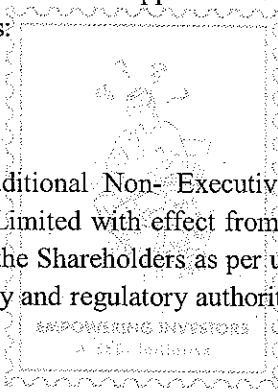
To

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.....

**Sub: Letter of Appointment as an Independent Director under section 149 of Companies Act, 2013**

Dear Sir,

We are pleased to confirm our decision to appoint you on the Board of Directors of SKP Securities Limited with effect from ..... This letter of appointment sets out the terms and conditions covering your appointment which are as follows:

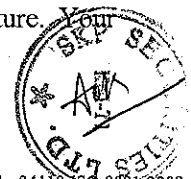


**1. Appointment**

- a) You are appointed as a Additional Non- Executive Independent Director on the Board of Directors of SKP Securities Limited with effect from ..... Your appointment is subject to election and appointment by the Shareholders as per under the provisions of the Companies Act, 2013 and approval of statutory and regulatory authorities or any other law which is applicable to the Company.
- b) The term Independent Director should be construed as defined under the Companies Act, 2013 and Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- c) The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. The Company is at liberty to disengage Non- Executive Independent Director earlier subject to compliance of relevant provisions of Companies Act, 2013.

**2. Committees**

- a) The Board of Directors ("Board") may if it deems fit, invite you for being appointed on one or more existing Board Committees or any such Committee that is set up in the future. Your appointment on such committee(s) will be subject to the applicable regulations.



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Sebi Regn. Nos : NSE : INB / INF / NSE 230707532 BSE : INB 010707538 NSDL : IN-DP-NSDL-222-2001 CDSL : IN-DP-155-2015 AMFI : ARN 0006 NPS : 04110-ISC 9001:2008



- b) Currently, the Board has three committees: Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee. The Board is responsible for constituting, assigning, co-opting and fixing terms of service of the committee members. Recommendations of committees are submitted to the Board for its approval.
- c) By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.

### 3. Training of the Board

Every new Independent Directors of the Board attends an orientation program wherein presentations are made by Executive Directors/Senior Managerial Personnel of the Company. The presentations cover an overview of our strategy and operations to familiarize the new inductees about the operations and functions of our Company. The induction program will provide an opportunity to interact with the senior leadership of the Company and help the inductees to understand the Company's strategy, operations, service and product offerings, markets, software delivery, organization structure, finance, HR, technology, quality, facilities and risk management.

### 4. Time Commitment

The Board expects a time commitment from your good self which would include the following:

- a) You shall strive to attend all meetings of the Board of Directors and of the Board Committees of which you are a Member;
- b) You shall participate constructively and actively in the Committees of the Board in which you are a Chairperson or Member;
- c) You shall strive to attend the general meetings of the Company.

You shall be intimated in advance of the date, time and venue of the meetings of the Board or Committee thereof in which you are a member and Annual General Meeting and General Meetings, if any, for attending the said meetings.

### 5. Role and functions:

Your role and functions shall be guided as per the Code for Independent Directors (Schedule IV) pursuant to Section 149(8) of the Companies Act, 2013, which have been stipulated as under:

- a) 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;
- b) Bringing an objective view in the evaluation of the performance of board and management;
- c) Scrutinizing the performance of management in meeting agreed goals and objectives and monitoring the reporting of performance;



- d) Satisfying oneself on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- e) Safeguarding the interests of all stakeholders, particularly the minority shareholders;
- f) Balancing the conflicting interest of the stakeholders;
- g) Determining appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommending removal of executive directors, key managerial personnel and senior management;
- h) Moderating and arbitrating in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

## 6. Duties

While performing your duties as an Independent Director, the Board expects you to:

- a) 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;
- b) Ensure, where you have concerns about the running of the Company or a proposed action, that these are addressed by the Board and, to the extent that they are not resolved, insist that concerns are recorded in the minutes of the Board meeting;
- c) Keep yourself well informed about the company and the external environment in which it operates;
- d) Not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
- e) Pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure that the same are in the interest of the Company;
- f) 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;
- g) Report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- h) Act within authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- i) 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;
- j) Constructively challenge and contribute to the development of overall strategy of the Company.

## 7. Code of Conduct

- a) Abide by the Code for Independent Directors as specified under Schedule IV to the Companies Act, 2013 and under Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 including any amendment thereof in future.
- b) Abide by the Company's Code of Ethics for Directors and Senior Management formulated and



approved by the Board.

- c) Follow the below mentioned professional conduct as an Independent Director of the Company:
- i) Uphold ethical standards of integrity and probity;
  - ii) Act objectively and constructively while exercising your duties;
  - iii) Exercise responsibilities in a bona fide manner in the interest of the Company;
  - iv) Devote sufficient time and attention to your professional obligations for informed and balanced decision making;
  - v) Where circumstances arise which make an Independent Director lose his independence, the Independent Director must immediately inform the Board accordingly;
  - vi) Assist the Company in implementing the best Corporate Governance practices.

## 8. Prohibition

You shall not:

- a) Serve as an Independent Director in more than 7 (seven) listed Companies or such increased or decreased limit as may be specified in future under Securities & Exchange Board of India (Listing & Disclosure Requirement) Regulations, 2015 . However, if you are serving as a Whole time director in any listed company, you shall serve as an Independent Director in not more than 3 (three) listed companies;
- b) Disclose the information acquired during your appointment as an Independent Director which are confidential to the Company and should not be disclosed either during your appointment or following termination (by whatever means) to third parties except as permitted by law and with prior clearance from the Chairman;
- c) Undertake any action that would lead to loss of independence;
- d) 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;
- e) Allow any extraneous considerations that will vitiate 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;
- f) Participate in a discussion for a contract or arrangement or a proposed contract or arrangement with a body corporate or a firm or other entity, in case you are interested, directly or indirectly, inter-alia, due to following reasons and shall bring the same to the notice of the Board forthwith –
  - i) You, either individually or together with other directors, hold more than 2% shareholding of that body corporate or are a Promoter, Manager, Chief Executive Officer of that body corporate;
  - ii) You are a partner of that firm or owner or member of that entity.

## 9. Status of Appointment

- a) You will not be an employee of the Company and this letter shall not constitute a contract of employment. You will be paid such remuneration by way of sitting fees for meetings of the



Board and its Committees as may be decided by the Board and approved by the Shareholders from time to time. Further, you will also be paid remuneration by way of commission as may be approved by the Board and the Shareholders from time to time.

- b) The Sitting fees presently paid to the Non-Executive Independent Director is Rs. xxxx per meeting for the Board and Rs xxxx for other Committees thereof.

#### **10. Reimbursement of Expenses**

In addition to the Remuneration described above, the Company will for the period of your appointment, reimburse you for travel, hotel and incidental expenses incurred by you in the performance of your role and duties.

#### **11. Conflict of Interest**

- a) It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to your appointment, you are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment.
- b) In the event that your circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgment that you are independent, this should be disclosed to both the Chairman and the Secretary.

#### **12. Evaluation**

The Company has adopted a policy on Board evaluation. The performance evaluation of Independent Director shall be done by the entire Board of Directors, excluding the Director being evaluated. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director.

#### **13. Discontinuation**

- a) Your Directorship on the Board of the Company shall terminate or cease in accordance with law or in accordance with provisions contained in the Articles (as may be amended from time to time). Apart from the grounds of termination as specified in the Act or Articles, your Directorship may be terminated for violation of any provision of the Code of Conduct of the Company;
- b) You may resign from the Directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation. The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by you in the notice, whichever is later;
- c) If, at any stage during the term of your Directorship, there is a change that may affect your status as an Independent Director as envisaged in Section 149(6) of the Act, or if applicable, you fail to meet the criteria for 'independence' under the provisions of Securities &



Exchange Board of India (Listing & Disclosure Requirement) Regulations, 2015, you agree to promptly submit your resignation to the Company with effect from the date of such change. You shall also promptly submit your resignation to the Company as and when the Board of Directors by majority decision pass a resolution to that effect;

- d) Upon such termination or resignation for any reason or on not having been re- appointed by the shareholders for any reason, you shall not be entitled to any damages or compensation for loss of office or otherwise and no fee or remuneration or commission, as the case may be, will be payable to you in respect of any unexpired portion of the term of your appointment.

The Appointment Letter is issued based on the Companies Act, 2013 and Rules framed there under, Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and other Regulations prevalent at the time of appointment. Any change in the above shall automatically entail changes in the terms and conditions.

It is a pleasure to have you on board. I am confident that your association, expertise and advice will immensely benefit the Company and the Board.

Thanking you,

Yours faithfully,

**For SKP Securities Limited**

**CHAIRMAN**

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**AGREE AND ACCEPT**

I have read and understood the terms of my appointment as an Independent Director of SKP Securities Limited and I hereby affirm my acceptance to the same.

Signed.....

Dated.....

