



**Groww**  
ASSET MANAGEMENT

**Groww Asset Management Limited**  
(Formerly known as Indiabulls Asset Management Company Limited)  
CIN U65991HR2008PLC095063

Date: [•]

To  
Independent Director

Dear [•],

**Sub: Appointment as an Independent Director of Groww Asset Management Limited (the Company)**

We are pleased to inform you that the Board of Directors of the Company, based on recommendation of the Nomination & Remuneration Committee have approved your appointment as an Independent Director of the Company pursuant to the provisions of Section 149 (6) read with Schedule IV of the Companies Act, 2013 the Rules made thereunder (Act), including any modification or amendments made thereof; with effect from [•] (*Effective Date*). This letter sets out the terms and conditions of your appointment.

**I) Expectations of the Board:**

As an independent director on the Board of the Company, you shall be expected to adhere to the guidelines for professional conduct and role /functions as detailed in Schedule IV of the Act, more particularly set out under **Annexure – I** of this letter.

**II) Terms of Appointment**

1. Your Appointment is for a term of five years commencing with an Effective Date and ending on [•] (*Termination Date*). You shall not be liable to retire by rotation. Your Appointment may be renewed on or prior to the Termination Date inter alia in accordance with the Companies Act, 2013, and the provisions of other applicable laws.
2. On or prior to the Termination Date, you may cease to hold office as a Director at any time if you resign by written notice. The written notice of resignation shall be in the form and manner as provided in the Companies Act, 2013 along with applicable laws.
3. Notwithstanding any other provisions of this letter, your Appointment 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 for any reason, 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.



4. During your Appointment you may be asked 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 you upon such appointments. Your Appointment on Committees constituted from time to time will be communicated to you.
5. You are considered to be an Independent Director and will be identified as such in the annual report, public disclosures and other documentation. If circumstances change, and you believe that your independence may be in doubt, you should discuss this with the Chairman as soon as practicable.

**A) Duties**

As a member of the Board along with other Board members, you 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 Letter. You will strive to avoid the occurrence of any events specified under Sections 164 and 167 of the Act regarding disqualification and vacation of office.

**B) Time Commitment**

Considering the nature of the role of a director, it is difficult for a company to lay down specific parameters on time commitment. You agree to devote such time as is prudent and necessary for the proper performance of your role, duties and responsibilities as an Independent Director.

**C) Fees and Expenses**

- 1) During your tenure, you will be paid sitting fees for attending a Board Meeting or any Committee thereof as the Board may decide from time to time. Fees will be paid after deduction of TDS, as required under applicable law.
- 2) In addition to the fee described in C (1) above, the Company will reimburse the reasonable expenses incurred by you for participation in the Board and other Committee meetings. You should submit details of expenses incurred to the Company Secretary.
- 3) In addition to the above, you 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.

**D) Other directorships and business interests**

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 Chairman and Company Secretary as soon as they become apparent



You shall comply with the provisions of Section 165 of the Companies Act, 2013 in respect of the maximum number of directorships that can be taken as an Independent Director of the Company.

**E) Orientation Program**

The Company would also endeavor to arrange for an orientation program for you at your convenience, wherein the senior officials of the Company will make detailed presentation to enable you to understand the Company, its business, financial matters, management team, etc.

**F) Insider Trading**

Directors shall not deal in the securities of a Company whether on their own account / their relative's account if they are in possession of any unpublished price sensitive information concerning the Company. Directors who are in possession of any unpublished price sensitive information shall not communicate directly or indirectly the said information to others who trade on such information.

**G) Gifts / Favours**

Directors shall not accept any gift, favour or invitation offered by any client, person or organization with whom Groww has any business relationship that creates a conflict between the individual's personal interest and the interest of Groww. Directors shall not accept any such gift, favour, or invitation except those extended as a customary courtesy of business life.

**H) False or misleading statements**

Directors shall not make a statement or disseminate information which is misleading or false and is likely to induce sale or purchase of securities by any other person or is likely to have the effect of influencing the market price of the securities.

**I) Protecting Company assets**

The assets of Groww shall not be misused but employed for the purpose of conducting the business for which they are duly authorized. These include tangible assets such as equipment and machinery, systems, facilities, materials, resources as well as intangible assets such as proprietary information.

**J) Reporting of disclosures**

Directors shall provide full, fair, accurate and timely information as necessary to ensure compliance with necessary laws. The Company expects Directors to provide prompt and accurate answers to enquiries relating to its public disclosure requirements.

**K) Review process**

Your performance will be evaluated annually in accordance with provisions of the Companies Act, 2013 read with Rules. If, in the interim, there are any matters which cause you concern about your role you should discuss them with the Chairman as soon as is appropriate.

**L) Directors' and Officers' (D&O) Liability Insurance**

The Company has taken D&O Liability Insurance and it is intended to maintain such cover for the full term of the Appointment.



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**M) Confidentiality**

You must apply the highest standards of confidentiality and not disclose to any person or company (whether during the Appointment or at any time after its termination) any confidential information concerning the Company and any Group Companies with which you come into contact by virtue of your position as an Independent Director of the Company.

Your attention is drawn to the requirements under both legislation and regulation as to the disclosure of price-sensitive information. Consequently, you should avoid making any statements that might risk a breach of these requirements without prior clearance from the Chairman or Company Secretary.

This appointment letter constitutes neither a contract for services nor a service contract.

We are confident that the Board and the Company will benefit immensely from your vast experience and insightful contributions.

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

Yours sincerely,

**For and on behalf of Groww Asset Management Limited.**

[•]

**Agree and Accept:**

I have read and understood the terms of my appointment as an Independent Director of the Company and affirm my acceptance to the same.

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**Date:** [•]

**Place:** [•]



## **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 the loss of his independence.
8. where circumstances arise which make him lose his independence, he must immediately inform the Board.
9. 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 to 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 interests 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. 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**

A 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. contravention of the provisions of this section shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.