

**Nomura Capital (India) Private Limited****Registered Office:**

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Worli, Mumbai - 400 018, India

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&lt;Date&gt;

To

Ms/Mr. \_\_\_\_\_

\_\_\_\_\_

DIN \_\_\_\_\_

Dear \_\_\_\_\_

**Sub: Your Appointment as the Independent Director of Nomura Capital (India) Private Limited ("the Company")**

We are pleased to inform you that the Board of Directors of the Company at their meeting held on <Date> has appointed you as a Non-executive and Independent Director of the Company. The appointment shall be governed by the provisions of Companies Act, 2013 ("Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") along with the Master Direction — Reserve Bank of India (Non - Banking Financial Company — Scale Based Regulation) Directions 2023' ("SBR Master Direction") and Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices as amended from time to time and any other applicable laws and regulations. Your appointment shall be subject to confirmation by shareholders at the ensuing General Meeting of the Company.

**A. Preliminary**

Your appointment is subject to the following terms and conditions ("Letter") (together referred to as "the Parties"):

1. During your tenure as an Independent Director, you would submit a declaration at the beginning of every Financial Year stating that you meet the criteria of Independence as defined under the Act and SEBI Listing Regulations.
2. You will promptly inform the Board of any change in the status of your independence.
3. So long as you are an Independent Director of the Company, the number of companies in which you hold office as a Director or a chairman or committee member will not exceed the limit stipulated under the Act and SEBI Listing Regulations.
4. So long as you are an Independent Director of the Company, you would ensure that you do not get disqualified to act as a Director pursuant to the provisions of Section 164 of the Act.
5. You will ensure compliance with other provisions of the Act, SEBI Listing Regulations and any other laws or regulations as may be applicable to you as an Independent Director.

6. Your attendance will be required at board/committee meetings and work associated with any committees to which you are appointed. By accepting this appointment, you confirm that you would allocate sufficient time to meet the expectations of your role.

## **B. Term**

Your appointment will be for a period of \_\_\_\_\_ with effect from <Date> to <Date> ("Term"). Your appointment is subject to the shareholder(s) approval at a subsequent general meeting of the company. If the shareholder(s) do not confirm your appointment or do not re-elect you as a director of the Company, your appointment shall terminate automatically and with immediate effect.

## **C. Committees**

You will be subsequently appointed on the Committees of the Board as required under the applicable regulations.

In the event of your appointment on the Committees of the Board, you will be provided with the relevant committee's terms of reference (where applicable) and any specific responsibilities.

## **D. Code of Conduct and Duties and Responsibilities**

- 1 You will abide at all times by the Nomura Group Code of Conduct (as amended from time to time) to the extent applicable to Directors. The current version of the Nomura Code of Conduct is attached as Annexure — 1. It is also available at Corporate Philosophy / Code of Conduct | NOMURA ([nomuraholdings.com](http://nomuraholdings.com)).
- 2 You will abide by the guidelines of professional conduct, role, function and duties as an Independent Director as provided in Schedule IV of the Companies Act, 2013 (as amended from time to time). The current version is attached as Annexure -2 hereto.
- 3 You are expected to stay updated on how best to discharge your roles, responsibilities and duties and liabilities as an Independent Director of the Company under applicable laws including keeping abreast of current changes and trends in economic, political, social, financial, legal and corporate governance practices.
- 4 You are expected to•
  - (i) take decisions objectively and solely in the interests of the Company;
  - (ii) facilitate Company's adherence to high standards of ethics and corporate behavior;
  - (iii) guide the Board in monitoring the effectiveness of the Company's governance practices and to recommend changes, required if any;
  - (iv) guide the Board in monitoring and managing potential conflicts including misuse of corporate assets and abuse in related party transactions;
  - (v) guide the Board in ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards;

- (vi) at all times comply with the Memorandum and Articles of Association of the Company, as amended from time to time; A copy of the current version Memorandum and Articles of Association of the Company is attached herewith for your reference; Annexure-3.
- (vii) abide by your fiduciary duties as a director of the Company;
- (viii) immediately report your own wrongdoing or the wrongdoing/ proposed wrongdoing of any other employee or director of the Company of which you become aware to the Board of Directors of the Company.;
- (ix) ensure that you shall not make public, misuse or use for any unlawful purpose (a) material non-public and/or price-sensitive information, the use of which is regulated or prohibited by applicable legislation, including securities laws relating to insider dealing or market misconduct and/or (b) information that is subject to data protection and consumer privacy laws, and generally be aware of and abide by insider trading regulations issued by the Securities and Exchange Board of India and any such other regulations;
- (x) not publish / disclose information relating to the Nomura Group business in publications, lectures and / or interviews, public appearances etc. without the prior written approval of the Company;
- (xi) shall immediately inform the Company if there is any change in the business / professional activities currently being undertaken by you as disclosed to Nomura;
- (xii) shall not involve 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; and
- (xiii) shall not achieve or attempt to achieve any undue gain or advantage either to yourself or your relatives, partners.
- (xiv) Within the permissible limits in terms of Companies Act, 2013, you shall not be on the Board of more than three NBFCs (NBFCs-ML or NBFCs-UL) at the same time.

## **E. Performance Evaluation**

Your re-appointment or extension of term and your remuneration will be recommended by the Nomination and Remuneration Committee to the Board, pursuant to a performance evaluation carried out by the Board.

## **F. Remuneration**

- 1 You will be paid sitting fees as per below table or such other amount as determined by the Board from time to time for attending each meeting of the Board and its Committees

Meetings	Fees (Per Meeting)
Sitting Fees	
1) Board Meetings	INR 1,00,000/-
2) Meetings of the Committee of the Board	INR 1,00,000/-

The Company shall deduct or withhold taxes as required pursuant to the applicable law and deliver, to the extent available, receipts evidencing the payments of such deducted or withheld amounts and remit the net amount. "

- 2 You will be entitled to reimbursement of reasonable and properly documented expenses including lodging, boarding and conveyance on actual, incurred by you in connection with attending the Board meetings, Committee meetings, general meetings and other out-of-pocket expenses.
- 3 Pursuant to applicable law, you will not be entitled to any stock options.

#### **G. Insurance**

The Company provides all its Directors with, and pays the premiums for, Directors and Officers insurance cover while acting in their capacities as Directors.

#### **H. Prohibition on Insider Trading/Dealing**

You will follow the Company's Staff Dealing Rules ("SDR") to the extent applicable with regards to trading/dealing in specified products and financial instruments as listed in the SDR and issued by the Company. Further, you need to adhere to SEBI regulations including Prevention of Insider Trading on insider information (i.e., material, non-public information or MNPI) and the requirements under the Act which inter alia requires that price sensitive information is not used or transmitted and maintained securely. You should not, make any statements or perform any activities that might risk breach of these requirements.

Trading/ Dealing (includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal, pledge or solicit or procure others to deal) by you or your dependent associates in financial instruments issued by the Company is prohibited at all times.

#### **I. Training**

You will be entitled to the benefit of a training program to familiarize yourself with the business and affairs of the Company, growth plans, the peculiarities of the industry in which the Company operates its goals and expectations and long term plans and objectives.

You shall attend such training programs as may be organized by the Company.

#### **J. Termination:**

- 1 . During the Term, either you or Nomura may terminate this Letter at any time by giving (3) three months' notice in writing to the other party, subject to applicable laws.
2. During the period of notice of termination, all your express and implied duties under this Agreement will continue to apply.

#### **K. Miscellaneous**

You will have access to confidential information, whether or not the information is marked or designated as "confidential" or "proprietary", relating to the Company and its business including legal, financial, technical, commercial, marketing and business related records, data, documents, reports, etc., client information, intellectual property rights (including trade secrets), ("Confidential Information").

You shall use reasonable efforts to keep confidential and to not disclose to any third party, such Confidential Information.

If any Confidential Information is required to be disclosed by you in response to any summons or in connection with any litigation, or in order to comply with any applicable law, order, regulation or ruling, then any such disclosure should be made, to the extent possible, with the prior consent of the Board.

- 1 All developments, productions, written work, inventions and improvements of inventions, whether patentable or not, made by you or to which you would have contributed in the course of your appointment, and all industrial and intellectual property rights and copyrights made by you or to which you would have contributed in the course of your appointment ("IP Rights") will be and remain the exclusive property of the Company and to the extent necessary you assign any potential rights relating thereto to the Company. This includes but is not limited to all research and research products, "knowhow" developed in spreadsheets and systems developments. You: (a) hereby irrevocably grant and assign to the Company absolutely all right, title and interest of every kind in such IP Rights (whether now existing or brought into being in the future); and (b) consider yourself as a trustee for the Company in relation to such IP Rights, and shall in either case at the request and expense of the Company do all things necessary to vest all right, title and interest in any IP Rights in the Company or its nominee absolutely as legal and beneficial owner and to secure patent or other appropriate forms of protection for such IP Rights. (d) Any delay or failure by the Company to exercise any right, power or remedy under this Letter shall not be construed as a waiver of such right, power or remedy, and any single or partial exercise of any right, power or remedy shall not prevent any further exercise or any other right, power or remedy. No waiver by the Company of any terms or conditions of this Letter shall be effective unless signed in writing by the Company. A waiver of any breach of any terms or conditions of this Letter shall not be construed as a waiver of any subsequent breach or condition whether of the same or a different nature.
- 2 In the event of any conflict between this Letter and the Articles of Association of the Company, the Articles of Association shall prevail.
- 3 This Letter together with the Articles of Association of the Company constitute the entire agreement between you and the Company and supersedes any previous written or oral agreement or understanding between you and the Company in relation to the matters dealt with in them. You acknowledge that you have not been induced to enter into this Letter by any representation, warranty or undertaking not expressly incorporated into it. No variations to the terms will be valid unless they are in writing and accepted by the Company and yourself.
- 4 You will keep the existence and terms of this Letter in strictest confidence and will not disclose the contents of this Letter or its terms to anyone other than your spouse, lawyer or accountant without the Company's written consent.
- 5 This Letter and your appointment with the Company shall be governed by and construed in accordance with the laws of India and each of the parties submits to the non-exclusive jurisdiction of the courts of Mumbai in regards to any claim or matter arising under this Letter.

Please confirm your acceptance by signing, dating, and returning a copy of (i) this Letter (ii) the Confidentiality Undertaking; and (iii) the Personal Information Collection Statement, to the Company to indicate your understanding and acceptance of this appointment.

Yours faithfully,

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Director

**Agreed and Accepted**

I have read and understood the terms of my appointment as an Independent Director, set out in this letter and hereby affirm acceptance of the same. I will ensure that that I am in compliance of the Independent Directors criteria as set out in the relevant Act, rules and regulations.

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Name

DIN

Date

## SCHEDULE IV

[See section 149(8)]

### CODE FOR INDEPENDENT DIRECTORS

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.

**IV. Manner of appointment:**

- (1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- (2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- (3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
- (4) The appointment of independent directors shall be formalised through a letter of appointment, which shall set out : (a) the term of appointment;  
(b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;



- (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
  - (d) provision for Directors and Officers (D and O) insurance, if any;
  - (e) the Code of Business Ethics that the company expects its directors and employees to follow;
  - (f) the list of actions that a director should not do while functioning as such in the company; and
  - (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- (5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- (6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

**V. Re-appointment:**

The re-appointment of independent director shall be on the basis of report of performance evaluation.

**VI. Resignation or removal:**

- (1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- (2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
- (3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

**VII. Separate meetings:**

- (1) The independent directors of the company shall hold at least one meeting in a 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 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.

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