



**SBI  
Capital  
Markets  
Limited**

No.: CS/NS

Date : 11<sup>th</sup> November, 2014

Shri Narayan K. Seshadri  
Chairman & CEO  
Halcyon Resources & Management Pvt. Ltd  
Hoechst House, Ground Floor,  
Nariman Point  
Mumbai 400 021

Dear Sir,

**Sub: Your Appointment as an Independent Director of the Company**

We thank you for your confirmation to SBI Capital Markets Limited (the "Company") that you meet the "independence" criteria as envisaged in Section 149(6) of the Companies Act, 2013 ("2013 Act") and also for your consenting to hold office as a director of the Company.

Pursuant to your confirmation, we are pleased to confirm that upon the recommendation of the Nomination and Remuneration Committee and the Board, the shareholders of the Company at the 28<sup>th</sup> Annual General Meeting held on 5<sup>th</sup> September, 2014, have approved your appointment as an Independent Director on the Board of the Company.

This letter sets out the terms of your appointment as an Independent Director. Your relationship with the Company will be that of an office-holder and not one of contract for employment in the Company.

The terms of your appointment, as set out in this letter, are subject to the extant provisions of the (i) applicable laws, including 2013 Act and (ii) Articles of Association of the Company ("AOA").

**1. Appointment**

Your appointment will initially be for 3 (three) consecutive years for a term upto the conclusion of 31<sup>st</sup> Annual General Meeting of the Company in the calendar year 2017 and is effective from 5<sup>th</sup> September, 2014, unless terminated earlier or extended, as per the provisions of this letter or applicable laws ("Term").

As an Independent Director you will not be liable to retire by rotation.

Your re-appointment at the end of the Term shall be based on the recommendations of the Nomination and Remuneration Committee and subject to the approval of the Board and the shareholders. Your re-appointment would be considered by the Board based on the outcome of the performance evaluation process and you continuing to meet the independence criteria.

As per the Board's current assessment, you are the Chairman / member of the following Committees:

- a) Committee of Directors - Member,
- b) Audit Committee - Member,
- c) Risk Management Committee of the Board - Chairman,
- d) Nomination and Remuneration Committee - Member,
- e) HR Committee - Member, and
- f) Corporate Social Responsibility Committee - Chairman.

The mandates of the aforesaid Committees are provided in Annexure 'A' to this appointment letter. The Board may reconstitute the composition of any/all Committees, from time to time, and any such change shall be promptly communicated to you. You may also be required to serve on other Committees of the Board.

## **2. Role, duties and responsibilities**

A. As member of the Board you along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:

- Requirements under the Companies Act, 2013,
- Accountability under the Directors' Responsibility Statement,
- Taking decisions objectively and solely in the interests of the Company,
- Overseeing the maintenance of high standards of Code of Conduct to be observed by the Company's Board of Directors and Core Management,
- Guiding the Board in monitoring the effectiveness of the Company's governance practices and to recommend changes, required if any,
- Guiding the Board in monitoring and managing potential conflicts of interest of Management, Board Members and Stakeholders, including misuse of corporate assets and abuse in related party transactions,
- Guiding the Board in ensuring the integrity of the Company's accounting and financial reporting systems including 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,
- Overseeing the Company's contribution to enhancing the quality of life of communities,
- Protecting and enhancing the SBI brand.

- B. You shall abide by the 'Code For Independent Directors' as outlined in Schedule IV and section 149(8) of the 2013 Act, and duties of directors as provided in the 2013 Act (including Section 166). For your ready reference, the relevant provisions have been extracted and attached to this letter as Annexure 'B'.
- C. You will also be responsible for providing guidance in the area of your expertise.

### **3. 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.

### **4. Remuneration**

As an Independent Director you shall be paid sitting fees for attending the meetings of the Board and the Committees of which you are a member.

Presently, the sitting fees payable to you are as follows:

- Board - Rs. 25,000/- per meeting
- Committees - Rs. 15,000/- per meeting.

Further, the Company may pay or reimburse to you such fair and reasonable expenditure, as may have been incurred by you while performing your role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by you for attending Board/ Committee meetings, Annual General Meetings, Extraordinary General Meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the Company for Directors) and in obtaining, subject to prior consultation with the Board, professional advice from independent advisors in the furtherance of your duties as an Independent Director.

### **5. Insurance**

The Company provides all its Directors with, and pays the premium for Directors and Officers Liability Insurance cover while acting in their capacity as Directors. The present amount of the Insurance cover is Rs. 5 crores (Rupees Five crores). A copy of the policy document will be supplied on request.

### **6. Company's Code of Conduct and Employee Share Dealing Code as applicable to Directors**

As an Independent Director of the Company, you agree to comply with the Code of Conduct to be observed by the Company's Board of Directors and Core Management. For your reference, a copy of the Code of Conduct is attached to this letter of appointment as Annexure 'C'.

All Directors are required to sign a confirmation of compliance of the Code of Conduct on annual basis.

Unless specifically authorised by the Company, you shall not disclose company and business information to public constituencies such as the media, the financial community, employees, agents, clients, competitors.

Your obligation of confidentiality shall survive termination or cessation of your directorship with the Company.

We would also like to draw your attention to the applicability of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Employee Share Dealing Code as applicable to the Directors, prohibiting disclosure or use of unpublished price sensitive information and setting out certain restrictions on dealing in securities. For your reference, a copy of the Employee Share Dealing Code is attached to this letter of appointment as Annexure 'D'.

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.

## **7. Induction and Development**

The Company shall, if required, conduct formal induction program for its Independent Directors which may include any or all of the following:

- Board roles and responsibilities, whilst seeking to build working relationship among the Board members,
- Company's vision, strategic direction, core values, ethics and corporate governance practices,
- Familiarization with financial matters, management team and business operations,
- Meetings with stakeholders, visits to business locations and meetings with senior and middle management.

The Company shall, as may be required, support Directors to continually update their skills and knowledge and improve their familiarity with the company and its business. The Company will fund/arrange for training on all matters which are common to the whole Board.

## **8. Performance Appraisal / Evaluation Process**

As a member of the Board, your performance as well as the performance of the entire Board and its Committees shall be evaluated annually. Evaluation of each director shall be done by all the other directors. The criteria for evaluation shall be determined by the Nomination and Remuneration Committee and disclosed in the Company's Annual Report. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the

effectiveness of the Board / Committee. An indicative list of factors that may be evaluated as part of this exercise is:

- Participation and contribution by a director,
- Commitment (including guidance provided to senior management outside of Board / Committee meetings),
- Effective deployment of knowledge and expertise,
- Effective management of relationship with stakeholders,
- Integrity and maintenance of confidentiality,
- Independence of behaviour and judgment, and
- Impact and influence.

#### **9. Disclosures, other directorships and business interests**

During the Term, you 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. You also agree that upon becoming aware of any potential conflict of interest with your position as an Independent Director of the Company, you shall promptly disclose the same to the Chairman and the Company Secretary. Please confirm that as on date of this letter, you have no such conflict of interest issues with your existing directorships.

During your Term, you agree to provide a declaration at the beginning of every Financial Year under Section 149(7) of the 2013 Act, stating that you meet the criteria of Independence and also upon any change in circumstances which may affect your status as an Independent Director.

#### **10. Changes of personal details**

During the 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.

#### **11. Termination**

Your directorship on the Board of the Company shall terminate or cease in accordance with law. Apart from the grounds of termination as specified in the 2013 Act, your directorship may be terminated for violation of any provision of the Company's Code of Conduct as applicable to the Board of Directors.

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.

If at any stage during the Term, there is a change that may affect your status as an Independent Director as envisaged in Section 149(6) of the 2013 Act or, you fail to meet the criteria for "independence" as provided in that Section, you agree to promptly submit your resignation to the Company with effect from the date of such change.

## 12. Co-operation

In the event of any claim or litigation against the Company, based upon any alleged conduct, act or omission on your part during your Term, you agree to render all reasonable assistance and co-operation to the Company and provide such information and documents as are necessary and reasonably requested by the Company or its counsel.

## 13. Miscellaneous

- This letter represents the entire understanding, and constitutes the whole agreement, in relation to your appointment and supersedes any previous agreement between yourself and the Company with respect thereto and, without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom.
- No waiver or modification of this letter shall be valid unless made in writing and signed by you and the Company.
- As per the 2013 Act and the Code for Independent Directors as outlined in Schedule IV to the 2013 Act, this letter along with your detailed profile shall be disclosed on the website of the Company.

## 14. Acceptance of Appointment

We are confident that the Board and the Company will benefit immensely from your rich experience and we look forward to your guidance for the growth of the Company. If these terms of appointment are acceptable to you, please confirm your acceptance by signing and returning the enclosed copy of this letter.

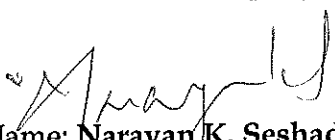
We thank you for your continued support and commitment to the Company.

Yours Sincerely,  
For SBI Capital Markets Limited

  
(Rajnish Kumar)  
Managing Director & CEO

### AGREE AND ACCEPT

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

  
Name: Narayan K. Seshadri  
Place: Mumbai  
Date: 14.11.2014