

**Distribution Agreement
Between**

HEM SECURITIES LIMITED

(Portfolio Manager)

AND

(Distributor)

For

Portfolio Management Services

DISTRIBUTION AGREEMENT

THIS DISTRIBUTION AGREEMENT (“AGREEMENT”) IS MADE AT JAIPUR ON THIS __DAY OF _____, 2023 BETWEEN

HEM SECURITIES LIMITED, a SEBI registered Portfolio Manager bearing SEBI registration number INP000006794 and registered under the Companies Act, 1956 having its registered office at 203, Jaipur Tower, M.I. Road, Jaipur 302001, Rajasthan, hereinafter referred to as **“Portfolio Manager”** (which expression shall unless repugnant to the context or meaning thereof be deemed to mean and include its successors, executors, administrators and permitted assigns) of the ONE PART.

AND

, a Company having its registered office at _____ (hereinafter referred to as **“Distributor”**, which expression shall unless it be repugnant to the context or meaning thereof be deemed to mean and include its successors, executors, administrators and permitted assigns) of the SECOND PART.

The Portfolio Manager and the Distributor are hereinafter jointly referred to as the **“Parties”** and individually as the **“Party”**.

WHEREAS

1. The Portfolio Manager is registered by the Securities and Exchange Board of India (hereinafter referred to as “SEBI”) to provide Portfolio Management Services vide SEBI Registration Number INP000006794.
2. The Portfolio Manager inter alia provides Portfolio Management services to its clients in terms of Disclosure Documents and Portfolio Management Agreement.
3. The Distributor has a valid AMFI Registration No. _____ or have cleared NISM Series-V-A exam having Registration No. _____ or have cleared NISM-Series-XXI-A: Portfolio Management Services (PMS) Distributors Certification Examination having Registration No. NISM-_____.
4. The Distributor has, in the course of conducting its business, built up a significant reputation and goodwill, which it considers beneficial in procuring clients who are entitled to invest in securities in India. The Distributor has approached the Portfolio Manager to provide opportunities through the Distributor's network for making available portfolio management services offered by the Portfolio Manager to persons intending to avail of the same.

The Portfolio Manager and the Distributor are desirous of entering into an Agreement, inter alia, to record the scope and extent of services to be rendered by the Distributor and the rights and obligations of both the Parties under this arrangement.

NOW THEREFORE THIS AGREEMENT WITNESSETH AND IT IS HEREBY MUTUALLY AGREED, DECLARED, CONFIRMED AND RECORDED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

1. DEFINITIONS

In this Agreement, unless the context otherwise requires, the following expressions shall have the meaning assigned to them:

- a) **Affiliate** shall mean, with respect to any Person, any other Person that, directly or indirectly, through one or more intermediaries or otherwise, controls or is controlled by, or is under common control with such Person. The term “**control**” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of that Person whether through ownership of voting Securities, by contract or otherwise.
- b) **Agreement** means this Agreement dated the date first set forth above, as the same may be amended, modified and/or supplemented from time to time in accordance herewith.
- c) **Application** means an application made by a Client in the form prescribed by the Portfolio Manager to place the Assets mentioned therein for Portfolio Management Services by the Portfolio Manager on behalf of the Client.
- d) **Assets** means the Securities and Instruments held (whether in dematerialized form or physical certificate form), and the Funds placed during a Client Relationship, by the Client with the Portfolio Manager for investment as per the terms and conditions of the Portfolio Management Agreement entered into between the Portfolio Manager and the Client.
- e) **Books of Account of the Portfolio Manager** means the books of account maintained by the Portfolio Manager in respect of the Assets of each Client of the Portfolio Manager only and does not include the books of accounts maintained by the Portfolio Manager in respect of the Portfolio Manager's own money, or money of clients or others held by the Portfolio Manager otherwise than for the purpose of rendering Portfolio Management Services.
- f) **Business** means the marketing and procuring subscriptions from investor for the various services offered by the Distributor under this Agreement.
- g) **Cash/Funds** mean an amount in a currency acceptable to the Portfolio Manager.
- h) **Client** means a Person introduced by the Distributor and having a valid Portfolio Management Agreement with the Portfolio Manager for availing services in nature of Portfolio Management Services.
- i) **Client Relationship** means the relationship between the Portfolio Manager and the Client from the time of acceptance of the Client's application by the Portfolio Manager until the Client ceases to have any Assets under the management of the Portfolio Manager.
- j) **Instrument** means any investment instrument permitted in India including derivatives.

- k) **Intellectual property** means the Proprietary Marks, Copyrights and other intellectual property rights owned by the Portfolio Manager and licensed for use to the Distributor for the purposes of the Business.
- l) **Laws** means all laws, ordinances, statutes, rules, orders, decrees, injunctions, rules of common law, licenses, permits, approvals, authorizations, consents, waivers, privileges, guidelines, agreements and regulations of any Government Agency having jurisdiction over the Territory or the Parties or the Securities.
- m) **Permits** means all applicable authorizations, consents, licenses, permits, waivers, privileges, acknowledgments, agreements, concessions, approvals from any relevant Government Agency.
- n) **Person** means any individual or legal entity, whether a corporation, firm, company, joint venture, trust, association, organization, partnership or proprietorship, including any Government Agency.
- o) **Portfolio** means the Securities of the Client managed by the Portfolio Manager pursuant to the terms of the Portfolio Management Services Agreement.
- p) **Agreement** means the agreement entered into between the Portfolio Manager and the Client for providing Portfolio Management Services.
- q) **Portfolio Management** means the management of a Client's Assets during the Client Relationship pursuant to the terms and conditions of the Portfolio Management Services Agreement.
- r) **Proprietary marks** means the trade names, trademarks, logos, emblems, including but not limited to the Trade Marks, and such other trade names logos, emblems and trademarks as are now designated and may hereafter be designated by the Portfolio Manager in writing including, when permissible, service marks for use in connection with the Products.
- s) **"Regulations"** means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 as may be amended from time to time including any Circulars, Directions or clarifications issued by SEBI or any Authority and as applicable to the Portfolio Manager.
- t) **"Securities"** means Securities as defined under Section 2(h) of Securities Contracts and Regulation Act, 1956, except any securities which the Portfolio Manager is prohibited from investing in under the Portfolio Management rules, regulations or any other law for the time being in force.
- u) **Term** means, with respect to this Agreement, the time period beginning on the date of this Agreement and ending upon the earlier of termination or expiration of this Agreement, as described in Clause 9 of this Agreement.

2. CONSTRUCTION

The meanings set forth for defined terms herein shall be equally applicable to both the singular and plural forms of the terms defined.

All references in this Agreement to Clauses and Annexures are to Clauses and Annexures in or to this Agreement unless otherwise specified therein. The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The words "include", "including" and "among other things" shall be deemed to be followed by "without limitation" or "but not limited to" whether or not they are followed by such phrases or words of like import.

References in this Agreement to any Law shall be construed as a reference to such Law as re-enacted, re-designated, amended or extended from time to time, except as otherwise provided in this Agreement.

References in this Agreement to any document or agreement shall be deemed to include references to such document or agreement as amended, varied, restated, supplemented or replaced from time to time in accordance with the terms thereof and to include any side letters executed in connection therewith, except as otherwise provided in this Agreement.

References to any Person or Persons shall be construed as a reference to any permitted successors or assigns of such Person or Persons.

The headings of the several clauses and sub-clauses of this Agreement are intended for convenience only and shall not in any way affect the meaning or construction of any provision therein.

References to writing include printing, typing, lithography and other means of reproducing words in a visible form.

3. REGISTRATION WITH AUTHORITIES

The Distributor shall get itself registered with exchange/regulatory authorities etc. if required, for the purpose of carrying out the business pursuant to the terms of this Agreement. The Distributor acknowledges that sharing of any fees/payment of any consideration will be subject to registration with Exchanges/regulatory authorities as required from time to time.

4. OBLIGATIONS OF DISTRIBUTOR

The Distributor shall:

- 4.1 Use its expertise, experience, offices, infrastructure and personnel for the purposes of marketing the Portfolio Management Services of the Portfolio Manager with the intention of introducing Clients to the Portfolio Manager;
- 4.2 Introduce to the Portfolio Manager only those Clients who are eligible under the applicable Laws to avail of the Portfolio Management Services rendered by the Portfolio Manager and who are agreeing to invest the minimum Assets stipulated by the Portfolio Manager from time to time;

- 4.3 Abide by the instructions given by the Portfolio Manager and procedures, as mutually agreed upon for carrying out the business under this Agreement;
- 4.4 Not make any representations or suggest that the Portfolio Manager gives any warranties or guarantees relating to returns or otherwise except as specifically permitted in writing by the Portfolio Manager. In case of any doubt, the Distributor shall seek a clarification in writing from the Portfolio Manager;
- 4.5 Undertakes that it shall use only such advertising materials provided by the Portfolio Manager and that it shall not design its own advertisement/ set of documents for the products/ services offered by the Portfolio Manager unless it is specifically authorized in writing to do so and then only after such advertisements/ set of documents are approved by Portfolio Manager in writing prior to the dissemination of the material.
- 4.6 Comply with the provisions of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 ("SEBI Regulations") as amended from time to time and with circulars/guidelines issued by SEBI from time to time including to adhere to code of conduct (as prescribed in the Annexure A) and best practices prescribed by SEBI;
- 4.7 Inform each potential client of the inherent risk of availing portfolio management services. No minimum return guarantees or warranties can or should be given by the Distributor or any of its representatives to a Client.
- 4.8 Ensure that each Client is made aware of the following, prior to a Client Relationship being entered into:
 - 4.8.1 that the Client shall at all times remain the owner of its Assets and at no time will the title in its Assets, or any part thereof, stand transferred in any manner whatsoever to the Portfolio Manager;
 - 4.8.2 that the Portfolio Manager will merely act as, the agent of the Client during the Client Relationship and will accept delivery of Securities and Funds from the client or on behalf of the client merely as an agent and in no other capacity whatsoever;
 - 4.8.3 the Portfolio Manager handles portfolios and investments of itself and several Clients and may therefore:
 - 4.8.3.1 from time to time have a position in any security similar to the Securities, forming part of the investments held, purchased or sold for the Clients introduced by the Distributor;
 - 4.8.3.2 purchase or sell any such security forming part of the investments for itself or for its other Clients;
 - 4.8.3.3 have a relationship with share and stock-brokers, banks, depositories, depository participants and companies with whom or through whom transactions are carried out for purchase, sale and holding of any of the Securities or with an Issuer whose Securities are purchased and/or sold for the Client;
 - 4.8.3.4 deal on behalf of the Client with any Affiliate as long as the terms are as favorable to the Client as would be ordinarily obtained from a concern, which is not an Affiliate;
 - 4.8.3.5 purchase or sell the investments to anyone with whom the Portfolio Manager has relationship;
 - 4.8.3.6 act as principal, agent or broker in any transaction and may be separately

- 4.8.3.7 compensated in that capacity;
employ, retain or appoint any Affiliate company or any of the Directors of the Portfolio Manager or such Affiliate as broker, consultant or in any other capacity for carrying out any of the functions or work relating to the portfolio management of the Client;
- 4.8.3.8 Deal with any Affiliate or any of the Directors of the Portfolio Manager or of such Affiliate on a principal-to-principal basis for any buying, selling or otherwise in any act relating to the Portfolio Management of the Client.
- 4.9 Not use any name or mark similar to or capable of being confused with the proprietary marks of the Portfolio Manager;
- 4.10 Not use the intellectual property otherwise than as specifically permitted by this Agreement and on termination of this Agreement, to forthwith cease to use the Intellectual Property;
- 4.11 Neither during the term nor at any time after its expiry use any confidential information provided to the Distributor by the Portfolio Manager under the terms of this Agreement for purposes other than that of conducting of the Business;
- 4.12 Not issue any receipt for cheques and/or demand drafts received along with the application form from Client on behalf of the Portfolio Manager. The Distributor shall at no point of time receive/accept cash from the investor on behalf of the Portfolio Manager.
- 4.13 Not in any way indulge in any activity which tantamount to rebating of commission/brokerage to Clients or shall not use unethical means to sell, market or induce the Clients to avail services of Portfolio Manager by assuring gifts, benefits or rebating of commission.
- 4.14 Comply with all the statutory and other applicable requirements relating to anti money laundering ("AML") and/or "Know Your Client" ("KYC") guidelines issued and amended from time to time by any of the Regulatory Bodies in India. In addition to the aforesaid, the Portfolio Manager may require the Distributor to follow additional KYC guidelines specified by it. The Distributor shall not be absolved of its liability if an application has been accepted by the Portfolio Manager without the necessary documentation and the Distributor shall be bound to provide to the Portfolio Manager all necessary documents in relation to the investor's/ customer's application.

5. OBLIGATIONS OF THE PORTFOLIO MANAGER

The Portfolio Manager shall:

- 5.1 Provide clear instructions in writing as to the representations and warranties that can be given by the Distributor to potential customers generally and in respect of the Portfolio Management Services, keeping in mind that the Portfolio Manager may on behalf of the Clients invest in securities/instruments having varying degrees of risk including derivatives;
- 5.2 Maintain an account on behalf of each client in the Books of Accounts of the Portfolio Manager and giving details therein of the Assets of that client and the performance in rupee terms as per the requirements of SEBI or any statutory authority.

- 5.3 Hold the Assets of each client during the Client Relationship as Agent of the client and in no other capacity whatsoever;
- 5.4 Hold the Funds of each Client in a Bank Account as per the terms and conditions of the Portfolio Management Agreement (if applicable);
- 5.5 Promptly deal with inquiries or communications or complaints from clients whether received directly or through the Distributor;
- 5.6 Maintain its Intellectual Property rights during the Term and not cause or permit anything which may damage or endanger its title thereto it or assist or suffer others to do so.
- 5.7 Comply with all statutory formalities under the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 and Circulars/ guidelines issued there under as amended from time to time to enable it to act as Portfolio Manager.

6. CONSIDERATION

In consideration of the services rendered by the Distributor, the Portfolio Manager shall pay to the Distributor until the subsistence of this agreement fee as per the rates and terms and conditions as mentioned in **Annexure B** and agreed by the Distributor.

Consideration paid to the Distributor shall be net of any income tax or other statutory dues deducted at source in accordance with the relevant laws.

In case the Distributor receives any fee which is not due or payable to the Distributor, the Portfolio Manager shall be entitled to recover or adjust all such amounts wrongly paid to the Distributor.

In case of non-compliance of any of the terms and conditions mentioned herein and non-compliance of SEBI Regulations as may be specified from time to time, the Portfolio Manager reserves the right to suspend further business and payment of consideration until the compliance with the same.

7. ACKNOWLEDGEMENTS

The Distributor acknowledges that:

- 7.1 The Distributor is aware of the method of charging and recovery of fees by the Portfolio Manager from Clients, which is as per the Portfolio Management Services Agreement.
- 7.2 It is not entitled to any consideration for its services except as contemplated in Clause 6 herein.
- 7.3 The Client Relationship will commence upon signing of the Portfolio Management Services Agreement by the Client and the Portfolio Manager and the receipt of Assets by the Portfolio Manager.
- 7.4 The relationship between Portfolio Manager and Distributor is that of principal to principal. Further, the acceptance of application of the Client shall be subject to absolute discretion of

the Portfolio Manager.

8. INDEMNITY

- 8.1 The Distributor indemnifies and keeps indemnified and holds harmless the Portfolio Manager, its successors and permitted assigns against all loss, harm, damage, injury, costs and expenses incurred by the Portfolio Manager pursuant to or connected with or arising in any manner out of any breach of the obligations of the Distributor contained herein or gross negligence, fraud, willful misconduct or any misrepresentation on the part of the Distributor or any of its employees, agents, representatives or affiliates in any manner whatsoever.
- 8.2 The Portfolio Manager indemnifies and keeps indemnified and holds harmless the Distributor from and against all loss, harm, damage and injury, costs and expenses incurred by the Distributor pursuant to or connected with or arising in any manner out of any negligence or breach on the part of the Portfolio Manager in performing the terms of this Agreement.
- 8.3 For the purpose of the preceding clause the term "losses" and "expenses" shall be deemed to include compensatory, exemplary or punitive damages; fines and penalties, attorneys' fees, experts fees, court costs, costs associated with investigating and defending against claims, settlement amounts, judgments, compensation for damages to the either party's reputation and goodwill; and all other costs associated with any of the foregoing losses and expenses.

9. TERM AND TERMINATION

- 9.1 This Agreement will commence from the date hereof and will remain in force unless terminated as provided for herein below.
- 9.2 Notwithstanding the expiry/termination of this Agreement, the monies/business/ Funds procured/acquired from Client by the Distributor at any time before the expiry/termination shall nevertheless entitle the Distributor to the consideration as provided for under Clause 6.
- 9.3 This Agreement shall terminate:
 - a. upon expiry of 30 days from the date the notice of termination is given by either party to the other;
 - b. forthwith, upon any purported assignment of the benefits of this Agreement in violation of this Agreement;
 - c. forthwith, if the Distributor goes into liquidation, either compulsory or voluntary, or if a Receiver is appointed, or if the Distributor makes an assignment for the benefit of or composition with its creditors generally or threatens to do any of these things; or
 - d. Forthwith, in case of material breach by either party of any of the terms, covenants and conditions of this agreement, if the breach is not cured by the defaulting party within 30 days of the receipt of notice of breach from the other party.

Provided however that the Portfolio Manager may at its discretion, waive any breach of this Agreement by the Distributor subject to clause 19 hereunder.

10. CONSEQUENCES OF TERMINATION

On the expiry or termination of this Agreement the Distributor undertakes to:

- a) return to the Portfolio Manager any advertising or marketing material with the Distributor including any unutilized stationery, bills, receipts, or other material on which any of the intellectual property of the Portfolio Manager is contained;
- b) forthwith cease to carry on the Business on behalf of the Portfolio Manager;
- c) forthwith cease to represent that it has any relationship with the Portfolio Manager;

11. CONFIDENTIALITY

- 11.1 Both the Parties and its employees, agent, associates etc. shall at all times keep confidential, information acquired by the other in consequence of this agreement except for information which they may be entitled or bound to disclose under compulsion of law where requested by regulatory agencies.
- 11.2 The Distributor shall divulge such confidential information only to such of its employees, as must have access to it in order to perform the duties under this agreement.
- 11.3 The Distributor shall indemnify and keep indemnified the Portfolio Manager from and against any direct or indirect action, proceedings, claims, liabilities, penalties, demands, costs, charges, expenses and losses caused as a result of breach, direct or indirect, of the terms of confidentiality as mentioned hereinabove by the Distributor or any of its agents or employees.

12. WARRANTIES

- 12.1 Each Party shall comply with all applicable laws, rules, or regulations of every jurisdiction that are or may be applicable to the performance of the respective obligations under this Agreement.
- 12.2 Each Party represents and warrants to the other party that:
 - 12.2.1 It is a duly organized, validly existing entity of the type described in the introduction to this Agreement and is in good standing under the laws of the jurisdiction of its formation.
 - 12.2.2 It has all requisite power to enter into and to perform its obligations under this Agreement.
 - 12.2.3 The execution, delivery, and performance of this Agreement have been authorized by all corporate action on its part and that of its equity owners (if required), and do not and will not (i) violate any law, rule, regulation, order, or decree applicable to it or (ii) violate its organizational documents.
 - 12.2.4 This Agreement is a legal and binding obligation of that Party, enforceable against that Party in accordance with its terms, except to the extent enforceability is modified

by bankruptcy, reorganization and other similar laws affecting the rights of creditors generally and by general principles of equity.

12.2.5 All required approvals have been obtained for consummation of the transactions contemplated by this Agreement.

13. FORCE MAJEURE:

Neither Party shall be liable for any failure to perform any of its obligations under this Agreement if the performance is prevented, hindered or delayed by a Force Majeure Event (defined below) and in such case its obligations shall be suspended for so long as the Force Majeure Event continues. Each Party shall promptly inform the other of the existence of a Force Majeure Event and shall consult together to find a mutually acceptable solution.

“Force Majeure Event” includes any event due to any cause beyond the reasonable control of either Party including, without limitation, unavailability of any communication system including Internet, breach or virus in the processes or payment mechanism, sabotage, fire, flood, explosion, acts of God, civil commotion, strikes or industrial action of any kind, riots, insurrection, war, acts of government.

14. WARRANTY EXCLUSIONS

Nothing in this Agreement shall be construed as:

- 14.1 A warranty, guarantee, or representation by the Portfolio Manager as to the nature, significance, validity, or incontestability of the Intellectual Property or registration thereof;
- 14.2 A warranty, guarantee, or representation by the Portfolio Manager that any use made of the intellectual property under this Agreement is, or will be, free from infringement of intellectual property rights of third parties;
- 14.3 A requirement that the Portfolio Manager shall file any trademark application, secure any intellectual property registration, or maintain any registration in force;
- 14.4 An agreement by the Portfolio Manager to bring or prosecute actions or suits against third parties for infringement of any of the intellectual property; or
- 14.5 A statement, representation, or warranty of present or continuing value of any intellectual property, or creating any rights whatsoever in or for the Distributor upon claimed or actual diminution of the value, significance, or importance of any of the intellectual property;
- 14.6 The grant of any other right to the Distributor, whether related to the activities or otherwise. Without prejudice to the generality of this clause, it is specifically agreed that all rights of broadcasting any events or competitions held at the center, wholly or in part, through any form of media, whether existing or that may come into existence, shall belong to the Portfolio Manager alone.

15. TRANSFER OF INTEREST

- 15.1 The Portfolio Manager shall have the right to transfer or assign all or any part of its rights or

obligations under this Agreement to only any of its affiliates.

- 15.2 In addition, and without limitation, the Distributor expressly affirms and agrees that the Portfolio Manager may, provided it does not in any manner affect this Agreement and performance of obligations under this agreement, sell its assets and Intellectual Property to any of its affiliates.

16. INDEPENDENT CONTRACTOR

- 16.1 This Agreement does not create a fiduciary relationship between the parties hereto; The Distributor shall be an independent contractor.
- 16.2 Nothing in this Agreement is intended to constitute or appoint either party an agent, legal representative, subsidiary, joint venture, partner, employee, or servant of the other for any purpose whatsoever.
- 16.3 Nothing in this Agreement is intended to or shall be construed as constituting the Distributor a contractor for the Portfolio Manager in any manner whatsoever, for labour or otherwise howsoever.
- 16.4 The Distributor acknowledges and agrees that it is not authorized to make any contract, agreement, warranty, or representation on behalf of the Portfolio Manager or to incur any debt or other obligations in the Portfolio Manager's name. The Portfolio Manager shall in, no event assume liability for, or be deemed liable hereunder as a result of, any such aforesaid action.

17. NO WAIVER

No delay, waiver, omission, or forbearance on the part of the Portfolio Manager to exercise any right, option, duty, or power arising out of any breach or default by the Distributor of any of the terms, provisions, or covenants hereof, and no custom or practice by the parties at variance with the terms hereof, shall constitute a waiver by the Portfolio Manager to enforce any such right, option, or power as against the Distributor, or as to a subsequent breach or default by the Distributor. Subsequent acceptance by the Portfolio Manager of any payments due to it hereunder shall not be deemed to be a waiver by the Portfolio Manager of any preceding or succeeding breach by the Distributor of any terms, covenants, or conditions of this Agreement.

18. ARBITRATION

Any dispute, difference claim or question arising out of or relating to this agreement, or the breach thereof, if unable to be resolved by the parties mutually within thirty (30) days from the reference of such dispute, difference, claim or question, shall be finally settled by arbitration by three arbitrators, one to be appointed by each Party and the third (3rd) to be appointed by the two arbitrators. The arbitration proceedings shall be held in accordance with the Arbitration and Conciliation Act, 1996. The decision of the arbitrators shall be final and binding upon the Parties. The language of arbitration shall be English. The venue of arbitration proceedings shall be Jaipur.

19. APPLICABLE LAW

The laws applicable to this Agreement and any disputes that may arise there from or connected therewith shall be Indian law.

20. JURISDICTION

Courts in Jaipur alone shall have sole and exclusive jurisdiction and no other Courts shall have jurisdiction.

21. NOTICES

All notices, requests and other communications to any Party hereunder shall be in writing and shall be given to such Party at its business address or email ids or fax number as such Party may hereafter specify to each Party. Each such notice, request or communication shall be effective:

- (i) if delivered by courier service/ Speed Post, 72 hours after such communication is delivered to the courier service, shipping charges paid and properly addressed, and
- (ii) if given by fax, when such fax is transmitted to the fax number specified herein and the appropriate answerback is received, or
- (iii) if given by any other means, when delivered at the address specified herein.

If to the Portfolio Manager:

Hem Securities Limited

203, Jaipur Tower, M.I. Road, Jaipur-302001

Contact: 0141-4051000

Email: pms@hemsecurities.com

If to the Distributor:

Address:

Tel:

Email:

22. ASSIGNMENT

The Distributor shall not assign this Agreement and/or any rights and/or obligations hereunder to any third party without the written consent of the Portfolio Manager. Any such assignment made in breach of this clause shall be deemed to be void.

23. ENTIRE AGREEMENT

This Agreement contains the entire understanding and agreement of the parties with respect to the subject matter contained herein and supersedes all prior oral or written understandings and agreements related thereto and may not be altered, modified or waived in whole or in part, except in writing, signed by duly authorized representatives of the parties.

24. SEVERABILITY

This agreement is subject to the restrictions, limitations, terms and conditions of all applicable governmental regulations, approvals and clearances. If any term or provisions of this agreement shall for any reason be held invalid, illegal or unenforceable, it shall not affect any other term or provision hereof, and this agreement shall be interpreted and construed as if such term or provision, to the extent have been held as invalid, illegal or unenforceable, had never been contained herein. Any such invalidity or unenforceability of any provisions of this agreement in any jurisdiction shall not affect the validity, legality or enforceability of this agreement, including any provision, in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by Law.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this agreement on the day and year first above written.

Signed and delivered by the within named

Hem Securities Ltd.

by its duly authorized signatory

Mr.

In the presence of
_____

Signed and delivered by the within named Distributor

by its duly authorized signatory

Mr.

In the presence of
_____

Code of Conduct for Distributors of Portfolio Management Services

1. The Code of Conduct, as provided hereunder, shall be applicable to all persons involved in the distribution of Portfolio Management Services.
2. All distributors shall:
 - i. Adhere to SEBI (Portfolio Managers) Regulations, 2020 and circulars issued from time to time related to distributors, distribution, advertising practices of Portfolio Management Services, etc.
 - ii. Maintain high standards of integrity, promptitude and fairness in the conduct of all their business.
 - iii. Act with due skill, care and diligence in the conduct of all their business.
 - iv. Consider Investor's interest, risk profiling and suitability to their financial needs while marketing Portfolio Management Services.
 - v. Take necessary steps to ensure that the Clients' interest is protected.
 - vi. Ensure that commission or incentive shall never form the basis for recommending Portfolio Management Services.
 - vii. Be fully conversant with the Disclosure Document, Investment Approaches, fees and charges and the terms of agreement to be entered between the client and the Portfolio Manager.
 - viii. Disclose to the clients all material information including the details of distribution commissions for various Investment Approaches.
 - ix. Assist Clients in completing KYC and In-Person Verification related procedures.
 - x. Provide full and latest information about investment approaches and also highlight the assumptions made in performance calculations, risk assessments, performance projections etc., if any, for such investment approaches.
 - xi. Inform the Clients about the risks and level of control over the administration of Portfolio associated with the type of Portfolio Management Services offered (i.e. Discretionary, Non-discretionary or Advisory).
 - xii. Abstain from assuring returns in any type of Investment Approach and from any kind of misrepresentation.
 - xiii. Abstain from attracting clients through unethical means such as offer of rebate/gifts etc.
 - xiv. Maintain necessary infrastructure to provide support to clients in timely receipt of disclosure document, statement of portfolio and performance, statement of fees, audit report, etc.
 - xv. Maintain confidentiality of clients' details, deals and transactions which they come to know in their business relationship.
 - xvi. Abstain from making negative statements about other Portfolio Managers or Investment Approaches. Make comparisons, if any, only with the similar and comparable products along with complete facts.
 - xvii. Not indulge in any manipulative, fraudulent or deceptive practices or spread rumors with a view to make personal gain.
 - xviii. Hold valid Certification, as specified by SEBI, at all times. (a valid AMFI Registration Number or have cleared NISM-Series-V-A exam) or have cleared NISM-Series-XXI-A: Portfolio Management Services (PMS) Distributors Certification Examination having Registration No. NISM-

Annexure B

Payment Terms of Distribution Fee

- The Distributor (Name of the Distributor) will be entitled to receive Commission as mentioned below:

Strategy (A) –DREAM (HEM-Dynamic Research & Emerging Asset Management Strategy)

Option A: Variable Plan

Fee Type	Particulars	Hem Securities Sharing	Sharing
Fixed Fee	Management fee*		

Option B: Fixed Plan

Particulars	Hem Securities Sharing	
Management fee*		

Strategy (A) –IRSS (HEM-India Rising SME Stars)

Fee Type	Particulars	Hem Securities Sharing	
Fixed Fee	Management fee*		

* Refers to management fee received on AUM of clients, referred by distributor, for the purpose of Portfolio Management Services.

- The payment will be made at the end of each Financial Quarter within 1 Month of receipt of such fee.
- No upfront fee shall be given, either directly or indirectly to distributor.

*** Other T&C Apply**