



## **PMS DISTRIBUTION TERMS & CONDITIONS**

### **BACKGROUND**

The APMI Single Registration Framework (“**APMI SRF**”) proposal seeks to introduce a single, industry-level registration framework for PMS distributors, complementing the existing model where distributors are required to obtain separate registrations with individual Portfolio Managers.

This initiative is a part of APMI’s broader vision to institutionalize and streamline the PMS Distribution ecosystem, making it more efficient, transparent, and scalable. The current multi-registration approach, while functional, often leads to duplication of processes, increased compliance overhead, and fragmented distributor engagement. The proposed framework aims to address these challenges through a unified, standardized mechanism.

Under this, PMS distributors would undergo a centralized registration process, aligned with defined eligibility criteria, due diligence standards, and code of conduct requirements. Once registered, they would be able to engage with multiple PMS entities without the need for repetitive onboarding processes, subject to each PMS’s internal policies and product suitability norms.

This would mark a first-of-its-kind industry initiative, delivering multiple structural benefits:

- **Operational Efficiency:** Reducing time, cost and administrative burden for both distributors and PMS entities
- **Standardization:** Establish uniform onboarding, documentation, and compliance standards across the Industry
- **Enhanced Governance:** Centralized oversight with clearly defined accountability, conduct standards, and monitoring mechanisms
- **Improved Market Access:** Enabling Distributors, particularly smaller and emerging participants, to access a wider range of PMS offerings
- **Scalability:** Create a framework that supports the long-term, structured and sustainable growth of PMS Distribution.

Strategically, the APMI SRF would significantly deepen APMI’s engagement with the distributor community, positioning it as a central enabler of industry development. It would also foster greater formalization, transparency, and participation across the PMS ecosystem, key elements for building investor confidence and supporting the next phase of industry growth.

In essence, the proposed APMI Single Registration Framework represents a progressive shift towards “One Industry, One Access Framework.” This balances ease of participation with strong governance, enabling a more integrated, efficient, and future-ready PMS landscape in India.



As a part of this framework, APMI has prepared the PMS Distribution Terms & Conditions ("**Terms & Conditions**"), as set out below, as a recommended set of standard contractual terms that may govern the relationship between PMS entities and distributors. PMS entities and distributors are recommended to adopt these Terms & Conditions, with such edits as mutually agreed, when executing distribution agreements with each other to record the mutually agreed commercial variables, such as distributor fees, service levels and operational parameters.

APMI shall not be liable for any claims or disputes between PMS entities and distributors arising out of distribution agreements that incorporate these Terms & Conditions.

### **PMS DISTRIBUTION TERMS & CONDITIONS ("TERMS & CONDITIONS")**

These PMS Distribution Terms & Conditions ("**Terms & Conditions**") shall apply between any Portfolio Manager ("**PMS Entity**") and PMS Distributor ("**Distributor**") who enter into a distribution agreement adopting these Terms & Conditions ("**Distribution Agreement**") for distribution of the PMS Entity's portfolio management services ("**Services**") to Investors.

#### **1. DEFINITIONS:**

In these Terms & Conditions, the following expressions shall, unless the context otherwise requires, have the meaning assigned to them below:

- A. "**Applicable Laws**" means any applicable statute, law, ordinance, regulation, rule, order, bye-law, administrative interpretation, writ, injunction, directive, judgment or decree or other instrument which has a force of law in India, as is in force from time to time, including the SEBI PMS Regulations, and rules framed thereunder.
- B. "**Business**" means the business of the Distributor of procuring investments from Investors for the Services rendered by PMS Entity.
- C. "**Distribution Agreement**" means the distribution agreement executed / entered into between the PMS Entity and the Distributor, which incorporates these Terms & Conditions by reference therein, and sets out the variable commercial and operational terms as mutually agreed between the Parties, including the specific Services, Distributor Fees, payment frequency, Investment Approaches, service levels, operational aspects and any other terms.



- D. **“Distributor Fees”** means fees payable by the PMS Entity to the Distributor as service charges or fees for procuring Investors for the Services of the PMS Entity, as set forth in the Distribution Agreement.
- E. **“Disclosure Document”** means the Disclosure Document filed by the PMS Entity with SEBI as required under the SEBI PMS Regulations.
- F. **“Effective Date”** shall mean the date, as set out in the Distribution Agreement, on which the Distribution Agreement read with these Terms & Conditions shall come into force.
- G. **“Investment Approach”** means any of the current investment approach or such investment approach that may be introduced at any time in future by the PMS Entity.
- H. **“Investor”** means a person or client referred by the Distributor to PMS Entity and who has executed a valid Portfolio Management Service Agreement with the PMS Entity for availing the Services.
- I. **“Key Documents”** means and includes the Disclosure Document and the Portfolio Management Service Agreement, as originally executed and amended, modified, supplemented or restated from time to time between the PMS Entity and the Investors (together with all annexures, schedules and exhibits, if any) for availing the Services of PMS Entity.
- J. **“Party”** and **“Parties”** shall have the meanings ascribed to them in the Distribution Agreement.
- K. **“PMLA”** means the Prevention of Money Laundering Activities Act, 2002, as amended/modified and reinstated from time to time and including any directions, circulars, notifications, orders issued pursuant thereto.
- L. **“Portfolio Manager”** shall have the same meaning as given in Regulation 2(1) (o) of the SEBI (Portfolio Managers) Regulations, 2020 as amended from time to time.
- M. **“Portfolio Management Service Agreement”** in respect of an Investor shall mean the agreement entered between the PMS Entity and the Investor for availing portfolio management services and setting out the beneficial



interest, Investment Approach, rights and obligations of the Investor, and the terms of offering of the portfolio management services.

- N. **"PMS Regulations"** means the SEBI (Portfolio Managers) Regulations, 2020, as amended/modified and reinstated from time to time and including the circulars/notifications issued pursuant thereto.
- O. **"SEBI"** means the Securities and Exchange Board of India.
- P. **"Services"** means the portfolio management services provided by the PMS Entity, as set out in the Distribution Agreement.

All references to the Distribution Agreement shall mean a reference to the Distribution Agreement read with these Terms & Conditions. Any terms used but not defined herein or in the Distribution Agreement shall have the meanings assigned to them under the Key Documents issued by PMS Entity and/or the Applicable Laws.

## 2. **APPOINTMENT OF THE DISTRIBUTOR:**

- 2.1. With effect from the Effective Date, the Distributor shall act as a non-exclusive distributor of the PMS Entity to refer and introduce prospective Investors to the PMS Entity in accordance with the terms set forth herein and in the Distribution Agreement.

## 3. **DUTIES OF DISTRIBUTOR:**

- 3.1 The Distributor shall use reasonable efforts to identify potential Investors to avail the Services and refer and introduce the Investors to the PMS Entity.
- 3.2 The duties of the Distributor shall include the following:
  - a) identify potential Investors to whom the Services may be promoted.
  - b) accompany PMS Entity while making presentations and holding discussions with potential Investors, if required.
  - c) provide to the potential Investors, copies of the Key Documents and other documents supplied to the Distributor by the PMS Entity with respect to the Services.
  - d) Assist the PMS Entity by collecting the required know your client ("**KYC**") documents and other information (as may be notified by the PMS Entity) from the Investors, on behalf of the PMS Entity, and forwarding the same to the PMS Entity



for further processing and verification. The Distributor shall be responsible for verifying details/documents including in-person verification (IPV) and original seen verified checks (OSV) of potential Investors that are sourced by/through the Distributor, before forwarding them to the PMS Entity for further verification and ensuring compliance with KYC norms, PMLA and all other rules and regulations as are required to be complied with under Applicable Laws.

- e) promptly notify the Principal designated under the PMLA if Distributor becomes aware of any transaction that appears suspicious, or if Distributor receives any inquiry regarding its operations from regulatory authorities.
- f) provide such other assistance as may be requested by the PMS Entity from time to time.

#### 4. **DISTRIBUTOR'S DECLARATIONS, REPRESENTATIONS & UNDERTAKINGS:**

The Distributor declares, represents and undertakes that:

- 4.1. The Distributor has been duly incorporated, organized and is validly existing under the laws of the jurisdiction in which it is incorporated and is entitled to carry on its activities, including distribution of the Key Documents and other documents relating to the Services to potential Investors, in the territory in which it is permitted to do so. The Distributor is duly licensed by SEBI / APMI under the applicable distributor norms for financial products with valid APRN as mentioned in the Distribution Agreement, and holds and shall at all times continue to hold all relevant approvals/registrations/certifications granted by any regulatory body, judicial or administrative authority, including, without limitation NISM, SEBI and RBI ("**Relevant Authorities**") during the term of appointment as Distributor. The Distributor agrees to obtain all necessary approvals, registrations and certifications that may be prescribed in future by such Relevant Authorities.
- 4.2. The Distributor has sufficient capacity and resources to verify KYC records of potential Investors and agrees to comply with the relevant KYC norms for the said Investors.
- 4.3. The Distributor shall not use the intellectual property of the PMS Entity otherwise than as specifically permitted under the Distribution Agreement and shall forthwith cease to use of such intellectual property upon termination of the Distribution Agreement.
- 4.4. The Distributor shall neither during the term of its appointment as Distributor nor at any time after its expiry, use any information, documents or material provided to the Distributor by the PMS Entity for purposes other than that contemplated by the Distribution Agreement.



- 4.5. No consent of any other person and no authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or other third party is required for the execution, delivery or performance of the Distribution Agreement by the Distributor.
- 4.6. The Distributor has not been debarred by SEBI or any other Relevant Authority and doesn't have any undisclosed disciplinary history in the past from any Relevant Authority in India or abroad.
- 4.7. The Distributor shall be responsible for compliance with all laws, rules and regulations as may be applicable to the Distributor for acceptance of, appointment and rendering of distribution services under the Distribution Agreement.
- 4.8. The Distributor shall not make any representations or statements or give any warranties, other than those contained in the Key Documents, or in any report including marketing material that may be provided or approved by the PMS Entity to the Distributor for the purpose of referring Investors to the PMS Entity.
- 4.9. The Distributor shall disclose to the Investors all material information including the details of the Distribution Fees as per applicable regulations for the various Investment Approaches of the PMS Entity.
- 4.10. All information, forms, agreements, documents, certificates, letters, papers, writings, data, books, records, reports, statements, files, copies and other items whatsoever belonging to the PMS Entity and which come into Distributor's power or possession under, pursuant to or in connection with the Distribution Agreement will remain the sole and absolute property of the PMS Entity and the Distributor shall have no claim, lien, right of retention, sale or other right, title or interest therein for any reason whatsoever and shall not share it with the Investors without express consent of the PMS Entity.
- 4.11. The Distributor shall neither use nor display the logo or mark of the PMS Entity (or any logo or mark similar thereto) in any manner whatsoever, unless prior approval in writing is obtained from the PMS Entity.
- 4.12. The Distributor shall not do, print or publish anything which is illegal, unethical, fraudulent or improper or which may be detrimental to the reputation of the PMS Entity or which may be in any manner harmful to or against the interests of the Investor or PMS Entity or which may result in a contravention of the provisions of the Applicable Laws.
- 4.13. In particular, and without prejudice to the generality of the above provisions, the Distributor shall not provide guarantees or assurance either on the returns to the Investor or on the performance and discharge of the PMS Entity's duties and obligations under the Portfolio Management Services Agreement and other Key



Documents, on behalf of PMS Entity or in any other capacity. The Distributor shall appraise and make sure that the Investors understand all applicable risks associated with the Investment Approach(es).

- 4.14. The Distributor confirms that all its employees, representatives / agents / sub-agents engaged in the distribution services are / shall be adequately certified on a continuing basis as per all applicable and relevant certifications required (presently or in the future, as the case may be) under the Applicable Laws by the SEBI and/or the Reserve Bank of India (RBI) and/or any other Relevant Authority from time to time.
- 4.15. The Distributor acknowledges the discretionary right of the Investor to continue the contract with the Portfolio Manager through any other distributor at the Investor's discretion and consequently Distributor agrees that any discontinuation / termination of the agreement between the Distributor and the Investor will not have any effect on the Portfolio Management Service Agreement between the Portfolio Manager and the said Investor.
- 4.16. The Distributor shall ensure that:
  - (i) All necessary KYC documents of potential Investors are forwarded along with their application to the PMS Entity.
  - (ii) It follows up with the Investors and assists the PMS Entity in removing incompleteness or incorrectness, if any, in documentation, including Portfolio Management Services Agreement KYC / CKYC, IPV, risk profiling, or other requirements rectified, if required by the PMS Entity.
- 4.17. The Distributor shall follow all applicable procedures as agreed to in writing with the PMS Entity.
- 4.18. The Distributor shall not undertake any obligation or incur any liability on behalf of the PMS Entity.
- 4.19. The Distributor shall not use advertising or sales material relating to the Services other than the sales material released or approved by the PMS Entity.
- 4.20. The Distributor acknowledges that its appointment under the Distribution Agreement is on a non-exclusive basis and that the PMS Entity is free to onboard Investors directly and/or empanel other distributors to promote the Services to the potential Investors.
- 4.21. Subject to Clause 19 below, the Distributor may delegate to any person the performance of any of its duties and obligations hereunder provided (a) the Distributor obtains prior written approval of the same from the PMS Entity and (b)



an appropriate enforceable agreement is executed with such person containing terms and conditions similar to these Terms & Conditions.

- 4.22. Notwithstanding anything stated in Clause 4.21 above, the Distributor shall be and remain responsible for all acts of its sub-distributors/sub-agents and shall be held liable for any losses caused to the PMS Entity or the Services due to any acts of such sub-distributors/sub-agents.
- 4.23. Prior to any appointment of a sub-distributor / sub-agent, the Distributor shall perform an initial due diligence, for ensuring that such sub-distributor/sub-agent is duly qualified and licensed, as well as subsequent periodic /ongoing due diligence (at least on a yearly basis), on the persons or entity proposed to be appointed as sub-distributor / sub-agent, if any and shall ensure that the sub-distributors / sub-agents themselves shall not hold Investor's money and/or invest on a nominee basis.
- 4.24. The Distributor shall provide the PMS Entity with a list of its sub-distributors/sub-agents, if any, on a quarterly basis.
- 4.25. The Distributor agrees that the PMS Entity shall be under no obligation to enter into a Portfolio Management Service Agreement with the potential Investor referred by the Distributor under this Agreement, and the PMS Entity is entitled at its sole discretion to decide, on satisfactory completion of Investor due diligence, if it desires to enter into Portfolio Management Service Agreement with potential Investor referred by the Distributor.
- 4.26. The Distributor has complied with and shall comply with all the applicable selling restrictions set out in marketing material or as communicated by the PMS Entity from time to time. If the Distributor appoints any sub-distributors/sub-agent, the Distributor shall procure and shall be responsible for ensuring that such sub-distributor/sub-agent complies with all applicable selling restrictions.
- 4.27. The Distributor shall not to indulge in any kind of malpractice or unethical practice to sell, market or induce any potential Investor to avail the Services of the PMS Entity.
- 4.28. The Distributor is not entitled to any consideration for its distribution services except for the Distributor Fees as set out in the Distribution Agreement.
- 4.29. The Distributor shall adhere to all Applicable Laws including the PMS Regulations while providing the distribution services.
- 4.30. The Distributor shall abide by the standard Code of Conduct as may be mandated by SEBI under PMS Regulations or any Relevant Authorities under the Applicable laws or by the PMS Entity, from time to time for PMS distribution services. The current Code of Conduct is set out in the Schedule hereto.



- 4.31. The Distributor shall promptly provide such written declaration or confirmations or information or documents or proofs or certificates or undertakings, etc. along with supporting documents within 15 days from the end of financial year or as may be required by the PMS Entity to perform due diligence on the Distributor and/or to ensure compliance with all Applicable Laws. The Distributor agrees that the PMS Entity has the right to withhold all payments to the Distributor until the Distributor fulfills all aforesaid requests of the PMS Entity.
- 4.32. The Distributor shall comply with SEBI amendments to the SEBI (Intermediaries) Regulations, 2008 read with SEBI Circular SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2025/11 dated January 29, 2025 mandating that the SEBI registered intermediaries and their agents shall not have any direct or indirect association with another person who;
- a) provides advice or any recommendation, directly or indirectly, in respect of or related to a security or securities, unless the person is registered with or otherwise permitted by the SEBI to provide such advice or recommendation; or
  - b) makes any claim, of returns or performance expressly or impliedly, in respect of or related to a security or securities, unless the person has been permitted by the SEBI to make such a claim.

## 5. **PMS ENTITY'S DECLARATIONS, REPRESENTATIONS & WARRANTIES:**

The PMS Entity declares, represents and warrants as follows:

- 5.1 The PMS Entity is authorized to act as a Portfolio Manager for the Investment Approaches and has the necessary authority to provide the Services to Investors.
- 5.2 The PMS Entity shall comply with all applicable laws including rules and regulations framed by SEBI, with regard to the portfolio management services. The PMS Entity has complied with and shall comply with all statutory formalities under the Applicable Laws, as amended from time to time, to enable it to manage the Investor's portfolio and make investments from money received.
- 5.3 The PMS Entity has obtained all required corporate, statutory, and other approvals for enabling it to sign, execute and deliver the Distribution Agreement and the person signing the Distribution Agreement has been duly authorized to sign, execute and deliver this Agreement and to bind PMS Entity hereto.
- 5.4 The Distribution Agreement represents the legal, valid and binding obligations of PMS Entity and is enforceable against it in accordance with its terms.



- 5.5 The execution and performance by PMS Entity of the Distribution Agreement shall be in accordance with Applicable Laws and shall not violate any material duty or obligation by which PMS Entity is bound whether arising by contract, operation of Applicable Laws or otherwise.
- 5.6 No consent of any other person and no authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or other third party is required for the execution, delivery or performance of the Distribution Agreement by the PMS Entity.
- 5.7 To the best of its knowledge, the Key Documents do not contain any untrue statement or omit any material fact.
- 5.8 The PMS Entity owns all intellectual property rights and proprietary rights in the material and information made available by it to the Distributor.
- 5.9 The PMS Entity shall inform the Distributor when the potential Investor becomes an Investor and if/when such Investor ceases to be an Investor.
- 5.10 The PMS Entity shall pay the Distributor Fees to the Distributor as consideration for distribution services provided by the Distributor.
- 5.11 The PMS Entity shall deal with inquiries or communications or complaints from Investor(s) raised through appropriate channels as per the Applicable Law read with the PMS Regulations, including those received through the Distributor and shall seek to redress such grievances or complaints.
- 5.12 The PMS Entity shall ensure compliance with the client trading restrictions as defined in the Portfolio Management Service Agreement executed with each Investor.
- 5.13 The PMS Entity agrees that as long as the Investor continues to engage with the PMS Entity for the Services contemplated herein, PMS Entity will not, either directly or through any of its affiliate or group companies, solicit or refer the Investor(s) to/for other financial or investment products or services offered by PMS Entity or its affiliate or group companies unless referral is made through and with consent of the Distributor. This provision shall not apply where an Investor (prospective or otherwise) has already independently approached, or been introduced by a third party to, the PMS Entity or its affiliate or group companies prior to introduction by the Distributor.

6. **GENERAL CONVENANTS:**

- 6.1. Both Parties shall use all reasonable care in rendering the services and performing their duties and obligations under the Distribution Agreement and such care and



performance shall be of the highest quality and to the best of their respective abilities.

- 6.2. Both Parties shall at all times conduct themselves within the parameters of law and in the event of any offence being committed by employees of either Party, the other Party shall not be directly or vicariously liable.
- 6.3. Both Parties shall at all times take and maintain all such security precautions, checks and controls as may be necessary for or in connection with the discharge of their respective duties and obligations.
- 6.4. Neither Party shall print or publish anything which is illegal or any information that is incorrect and detrimental to the reputation of the other or which may in any manner be harmful to or against the interests of the other Party or which may be or result in a contravention of the provisions of the PMS Regulations, or any amendment thereto or any other Applicable Laws.
- 6.5. The rights and responsibilities under these Terms & Conditions shall not be assignable by either Party without the prior consent of the other Party, which consent shall not be unreasonably withheld.

## 7. **PAYMENT:**

- 7.1. In consideration of the Distributor accepting the appointment as Distributor and providing the distribution services to the PMS Entity in accordance with the terms of the Distribution Agreement, the Distributor shall be entitled to payment of fees ("**Distribution Fees**") as mutually agreed between the PMS Entity & the Distributor and set out in the Distribution Agreement. The rate/s and mode of computation, and frequency and timelines for generation of invoices and payment of Distributor Fees shall specified in the Distribution Agreement. Parties acknowledge that APMI has no role / responsibility for the same.
- 7.2. The Distribution Fees and any related aspects (including frequency of invoice generation and timelines for fee payment) shall be subject to change as per the Key Documents and may be amended from time to time as mutually agreed between the Parties in writing.
- 7.3. The Distribution Fees shall be exclusive of applicable GST but subject to TDS and other statutory levies as per the relevant provisions of the Income Tax Act, 1961 and other Applicable Laws.
- 7.4. Distribution Fees will be paid either by account payee cheque, demand draft or through electronic bank transfer to the bank account of the Distributor as specified in the Distribution Agreement.



- 7.5. The Distributor will use its exclusive distributor code number (i.e., its APRN Number) which shall be duly quoted/ stamped by the Distributor in all correspondence by the Distributor with the PMS Entity and also in all Investor/investors application forms in connection with the Business.
- 7.6. The Distributor shall be solely responsible for the proper affixation of its APRN number to facilitate computation and payment of the Distributor Fees. In case of any discrepancy in the code affixed on an application form due to any reason such as illegible, unclear, overwritten, mutilated, altered or otherwise tampered with, the Distributor and the PMS Entity shall endeavour to resolve the same by mutual agreement. No Distributor Fees shall be payable in case of omission of code.
- 7.7. In the event of excess payment of Distribution Fees to the Distributor on account of Investor's full or partial withdrawal from the portfolio before the end of term of the Portfolio Management Service Agreement, PMS Entity shall have the right to deduct and appropriate the excess amount (as decided by PMS Entity at its sole discretion) from any amounts subsequently payable by PMS Entity to the Distributor. In the event that no subsequent amount is payable by PMS Entity to the Distributor, the Distributor shall be obligated to refund the excess amount to PMS Entity within 30 days of demand by the PMS Entity.
- 7.8. All invoices/bills/memos generated for settlement of any fees or claims shall be necessarily communicated to the designated team of the PMS entity.
- 7.9. The Distributor shall not share any of the Distributor Fee with any of the Investors.

8. **INDEMNITY:**

- 8.1. The Distributor shall indemnify and hold harmless the PMS Entity and all of its officers, partners, employees and agents ("**Indemnified Parties**") from and against all actual and direct costs, expenses, charges, damages, liabilities, claims or actions of any kind which may be incurred, suffered, brought or threatened against PMS Entity:
  - a) relating to breach of its representations, warranties, undertakings or covenants under the Distribution Agreement;
  - b) arising out of fraud, gross negligence or willful misconduct of any employee, agent, officer, representatives of the Distributor;
  - c) arising out of or relating to any act or omission of the Distributor in connection with the terms of the Distribution Agreement; or
  - d) arising out of any acts or deeds done by the Distributor's sub-distributor(s) / sub-agent(s).

The remedies provided for in this clause are not exclusive and shall not limit any rights or remedies that may otherwise be available to the Indemnified Parties at law



or in equity. The provisions of this **Clause 8.1** shall survive termination of the Distribution Agreement.

**9. CONFIDENTIALITY:**

- 9.1 Each Party shall treat as confidential and shall not disclose or transmit to any third party documents or other written materials that are marked as “Confidential and Proprietary” by the disclosing Party or in respect of which the receiving Party has received from the Disclosing Party specific written notice of its proprietary and confidential nature or which the receiving Party should reasonably understand to be of a proprietary and confidential nature (“**Confidential Information**”) including, without limitation, the variable terms and conditions in the Distribution Agreement. Each Party (“**Receiving Party**”) agrees and acknowledges that any Confidential Information received by it from the other Party (“**Disclosing Party**”) shall be used exclusively for the purpose of discharging their respective obligations under the Distribution Agreement.
- 9.2 The Receiving Party shall not disclose any Confidential Information, except information which it is bound to disclose pursuant to Applicable Law, or which it is reasonably required to disclose to its partners, directors, affiliates, their employees and advisors for the performance of professional services strictly in relation to or pursuant to the Distribution Agreement, for which the Confidential Information was provided by Disclosing Party.
- 9.3 The provisions of **Clauses 9.1** and **9.2** above shall not apply to Confidential Information, if such Confidential Information (i) becomes generally available to the public other than as a result of a disclosure by the Receiving Party or its representatives; (ii) was available to the Receiving Party on a non-confidential basis prior to its disclosure by Disclosing Party or its agents, advisors, or representatives, or (ii) becomes available to the Receiving Party on a non-confidential basis from a source other than the Disclosing Party or its agents, advisors, or representatives when such source is entitled, to the best of the Receiving Party’s knowledge, to make the disclosure, or (iv) was independently developed by the Receiving Party without reference to such Confidential Information.
- 9.4 All Confidential Information, including any documents shared with the Distributor as part of due diligence and other documents related to the Services in the possession of the Distributor shall be returned back to the PMS Entity within a period of 15 (fifteen) calendar days: (a) post the termination of the Distribution Agreement, or (b) in situations wherein it can reasonably be ascertained that the documents are of no use to the Distributor.
- 9.5 Clauses 9.1 to 9.4 shall survive termination of the Distribution Agreement.

**10. DATA PROTECTION AND DPDP COMPLIANCE**



- 10.1 The Distributor shall, at all times during the term of the Distribution Agreement, comply with the provisions of the Digital Personal Data Protection Act, 2023 ("DPDPA"), and all applicable rules and regulations issued thereunder, to the extent and as applicable. The Distributor shall ensure that:
- a. valid consent has been obtained from the Investor;
  - b. digital personal data is collected, processed, stored, and handled only for lawful purposes and strictly in accordance with the consent obtained from the Data Principals;
  - c. adequate security safeguards are implemented and maintained to protect personal data;
  - d. the PMS Entity is promptly notified in writing, and in any event within 24 hours of becoming aware of any personal data breach, and also that appropriate authorities are promptly intimated and such things as may be required to be done under DPDPA are done promptly; and
  - e. personal data is not retained for longer than necessary for the purpose for which it was collected or as required under Applicable Law;

**11. TERM AND TERMINATION:**

- 11.1. The Distribution Agreement and the appointment of the Distributor shall commence on the Effective Date and remain in force until terminated by the Parties in accordance with these Terms & Conditions.
- 11.2. The Distribution Agreement shall terminate forthwith if either Party goes into liquidation.
- 11.3. In the event of breach of any provisions of the Distribution Agreement by either Party, the other Party shall be entitled to terminate the Distribution Agreement, if such defaulting Party fails to rectify the breach, to the satisfaction of the other Party, within 15 (fifteen) calendar days of being notified of the same in writing.
- 11.4. Notwithstanding anything to the contrary contained herein, either Party shall be entitled to terminate the Distribution Agreement at any time without assigning any reason by giving 30 (thirty) calendar days' notice to the other. However, either Party may terminate the Distribution Agreement forthwith on account of any statutory order or direction from the appropriate statutory authority.
- 11.5. Upon termination of the Distribution Agreement:
- a. the Distributor shall forthwith cease to carry on the distribution services as contemplated by the Distribution Agreement;



- b. both Parties shall forthwith cease to represent that it has any relationship with the other;
  - c. the Distributor shall be entitled to receive such Distribution Fees as may be payable to the Distributor in respect of Business procured by the Distributor for the PMS Entity prior to the termination of the Distribution Agreement.
- 11.6. The termination of the Distribution Agreement will be without prejudice to the rights and claims of either Party which may have accrued or arisen prior to the termination.
- 11.7. Upon the termination of the Distribution Agreement, the Distributor shall hand over all pending applications, papers, forms, applications, payment instruments, documents, etc. to the PMS Entity and shall give the PMS Entity full cooperation and information to ensure and assist in the smooth transfer of all such pending applications and Portfolio Management Service Agreements to the PMS Entity.
- 11.8. Without prejudice to the provisions of the foregoing clauses, the Distribution Agreement shall stand terminated, without notice, if:
- a. A petition for winding up of either Party is admitted by a High Court;
  - b. Either Party goes into liquidation as declared by a court of competent jurisdiction or a distress, attachment or enforcement of a substantial portion of the assets of a Party is levied or a receiver is appointed in respect of the assets of either Party;
  - c. The Distribution Agreement or these Terms & Conditions become unenforceable by a change in law or interpretation of the provisions of an existing law; or
  - d. Any license, approval, authorisation or consent issued by a Relevant Authority to a Party, which is required for the performance of such Party's obligations under the Distribution Agreement, is terminated or suspended.

## 12. **FORCE MAJEURE:**

- 12.1. Neither Party shall bear responsibility or liability for any losses arising out of any delay in or interruptions of their respective performance of their obligations under the Distribution Agreement due to any act of God, act of governmental authority, act of public enemy or due to war, epidemic, pandemic, the outbreak or escalation of hostilities (including acts of terrorism), riot, fire, flood, civil commotion, insurrection, labour difficulty, including without limitation, any strike, or other work stoppage or slow down, severe or adverse weather conditions, communications line failure, or other similar causes beyond the reasonable control of the Party so affected but not due to such Party's negligence ("**Force Majeure Event**").



- 12.2. If a Force Majeure Event continues for more than 30 (thirty) calendar days, the other Party shall have the right to terminate the Distribution Agreement by giving a written notice of not less than 30 (thirty) calendar days to the affected Party.

13. **LIMITATION OF LIABILITY:**

In no event shall either Party, its officer and employees, agents, partners or respective affiliates have any liability for special, punitive, indirect, or consequential damages (including, but not limited to, lost profits) howsoever arising out of or in connection with the Distribution Agreement, even if notified of the possibility of such damages, except if arising out of fraud, gross negligence or willful misconduct of either Party or its agents, partners or affiliates.

14. **NO LIEN OR CHARGE**

Neither Party shall have any lien or charge on the properties of the other Party or any other related entities for the Distribution Fees payable to the Distributor under the Distribution Agreement.

15. **WAIVER:**

- 15.1 No failure or delay in exercising any right, power or privilege under the Distribution Agreement by either of the Parties shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof, or the exercise of any other right, power or privilege.

- 15.2 No waiver by either Party of any breach of any of the terms the Distribution Agreement shall be effective unless such waiver is expressed in writing and signed by either of the Parties and a waiver by either of the Parties of breach of any of the terms of the Distribution Agreement shall not prevent the subsequent enforcement of that term and shall not be deemed to be a waiver of any subsequent breach.

16. **NON-EXCLUSIVITY**

The Parties agree that the Distribution Agreement and the arrangements contemplated thereunder are non-exclusive arrangements and that, subject to the confidentiality and non-solicitation obligations herein contained, any Party may enter into similar agreements or arrangements with any other persons. Each Party also acknowledges that the other party already has similar arrangements with other portfolio managers or distributors as the case may be.

17. **GOVERNING LAW & ARBITRATION:**

- 17.1 Subject to Clause 17.2 below, the provisions of the Distribution Agreement shall be governed by and construed in accordance with Indian law and the courts in such



place / location as specified in the Registration Agreement shall have exclusive jurisdiction in respect of any matter arising out of the Distribution Agreement.

- 17.2 Any dispute, controversy or claims arising out of or relating to the Distribution Agreement, or any breach, termination, or invalidity thereof, shall be settled by arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996 and their amendments thereto.
- 17.3 The arbitral tribunal shall be composed of sole arbitrator, to be appointed by mutual consent of both the Parties.
- 17.4 The place of arbitration shall be at such place / location as specified in the Distribution Agreement and any award whether interim or final, shall be deemed for all purposes between the Parties to be made, in such place.
- 17.5 The arbitral procedure shall be conducted in English language and any award or awards shall be rendered in English. The procedural law of the arbitration shall be Indian law.
- 17.6 The award of the arbitrator shall be final and conclusive and binding upon the Parties, and the Parties shall be entitled (but not obliged) to enter judgment thereon in any one or more of the highest courts having jurisdiction. During the period of submission to arbitration and thereafter until the granting of the award, the Parties shall continue to perform all their obligations under the Distribution Agreement without prejudice to a final settlement in accordance with such award.
- 17.7 Each Party shall bear their own costs for the arbitration proceedings.
- 17.8 The rights and obligations of the Parties under, or pursuant to, this clause, including the arbitration agreement in this clause, shall be governed by and subject to Indian law.

**18. Change in Distributor**

- 18.1 **Change initiated by the Investor:** This shall be governed as per APMI Communication dated 11<sup>th</sup> November 2025 pertaining to 'Guidelines for Change in Distributor (APRN Code) & Transfer of AUM from one PMS Distributor to another'.
- 18.2 **Change initiated by the Distributor:** This shall be governed as per APMI Communication dated 11<sup>th</sup> November 2025 pertaining to 'Guidelines for Change in Distributor (APRN Code) & Transfer of AUM from one PMS Distributor to another'.

**19. ASSIGNMENT:**



- 19.1 The appointment of the Distributor under the Distribution Agreement may not be assigned or otherwise transferred, nor may any right or obligation thereunder be assigned or transferred, by either Party without the other Party's consent, which shall not be unreasonably withheld; provided, however, that either Party may, without such consent, assign the Distribution Agreement and its rights and obligations thereunder to its Affiliate or to a purchaser of all or substantially all of the assets of such Party or in the event of its merger, consolidation, change in control or similar transaction. Any purported assignment or transfer in violation of this clause shall be void and of no effect. Any permitted assignee shall assume all obligations of its assignor under the Distribution Agreement.
- 19.2 For the purpose of Clause 19.1:
- a. "Affiliate", means with respect to any Person, (a) in case of a Person other than a natural person, any other Person directly or indirectly Controlling, Controlled by, or under common Control with such Person, anytime during the period for which the determination of affiliation is being made; and (b) with respect to any natural person: (i) any other person that is a Relative of such natural person; or (ii) any person that is directly or indirectly (i.e., through one or more intermediate persons Controlled by such natural person and/or the Relative of such natural person) Controlled by such natural person;
  - b. "Control" means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of the vote carrying securities, by contract or otherwise howsoever; and
  - c. "Person" means a company, corporation, a partnership, trust or any other entity or organization or other body whatsoever.

20. **NOTICES:**

Any notice, communication, or documents by a Party to the other Party shall be made in writing and may be given through electronic mail, registered post or courier at the address/email ID of the other Party as specified in the Distribution Agreement and such notice shall be deemed to have been received by the other Party within 5 (five) calendar days from the date of dispatch of the registered post/courier; within 48 hours from the electronic mail being sent or upon receiving the confirmation of delivery of the same to the other Party.

21. **OPERATIONS AND SERVICE STANDARDS:**

All operating and servicing standards and procedures will be as agreed between the Parties and set out in the Distribution Agreement or such other documents executed / exchanged between the Parties.

22. **SURVIVAL:**



The respective indemnities, confidentiality obligations, representations, warranties and agreements of the Parties contained in these Terms & Conditions or made by or on behalf of the Parties pursuant to the Distribution Agreement shall survive the delivery of and payment for the Business done by the Distributor for the PMS Entity and shall remain in full force and effect, regardless of any termination of the Distribution Agreement or any investigation made by or on behalf of any of the Parties.

**23. COUNTERPARTS:**

The Distribution Agreement may be executed in counterparts, each of which, when so executed and delivered, shall be deemed an original instrument, but all of which together read with these Terms & Conditions shall constitute a single agreement.

**24. INFORMATION SECURITY**

24.1 All information and data transferred between the Parties under the Distribution Agreement shall be done in a secure and encrypted manner.

24.2 While making changes in systems or technology used to provide distribution services to PMS Entity, the Distributor shall cooperate to inform the PMS Entity about such changes and its implications wherever applicable and necessary.

24.3 The Distributor shall backup its assets including equipment, programs and data files - and ensure availability of data when required by PMS Entity.

24.4 The PMS Entity reserves the right to call for information security audits reports for the Distributor's IT environment as per the applicable regulations.

24.5 The Distributor shall extend support and provide all requested data (in the form of logs and digital evidences) needed for investigation in the event of a security breach involving PMS Entity's data.

24.6 The Distributor shall obtain prior approval/consent from PMS Entity on the use of subcontractors for supporting all or part of any outsourced activity relating to the Business.

**25. PERSONAL DATA**

25.1 Both Parties shall comply with all applicable privacy laws in handling the Investor's data.

25.2 Either Party's personnel shall handle any personal data shared only as per the instructions of the other.



- 25.3 Either Party shall be responsible for any leakage of personal data due to the acts or omissions of its personnel.
- 25.4 Either Party shall put in place reasonable technical and security measures to prevent leakage of personal data and unauthorized access to such Party's or its Investors' information.
- 26. MISCELLANEOUS:**
- 26.1. Clause headings are inserted for convenience of reference only and shall not be deemed to effect the interpretation or construction of these Terms & Conditions or of any clause herein.
- 26.2. Nothing in the Distribution Agreement shall constitute or be deemed to constitute a partnership or association of persons or a joint venture between the Parties. The relationship between the PMS Entity and Distributor is that of principal to principal and the Distributor is not authorized in any manner to make any offer, assurance or commitment on behalf of the PMS Entity or to create any binding obligation whatsoever on the PMS Entity.
- 26.3. If any clause or clauses or any part of the Distribution Agreement is or are declared to be ineffective, inoperative or void, the same shall not affect the validity or enforceability of the remaining terms of the Distribution Agreement or the other part/s of such clause or clauses as the case maybe.
- 26.4. No modification, alteration, waiver or amendment of the Distribution Agreement or any provision thereof shall be valid unless signed by or on behalf of the Distributor and the PMS Entity.

## **SCHEDULE**

### **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 Investors' 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 Investor and the Portfolio Manager.
- viii. Disclose to the Investors all material information including the details of distribution commissions for various Investment Approaches.
- ix. Assist Investors 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 Investors 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 Investors through unethical means such as offer of rebate/gifts etc.
- xiv. Maintain necessary infrastructure to provide support to Investors in timely receipt of disclosure document, statement of portfolio and performance, statement of fees, audit report, etc.
- xv. Maintain confidentiality of Investors' 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 rumours with a view to make personal gain.
- xviii. Hold valid Certification, as specified by SEBI, at all times.