

ADDENDUM TO THE DISCRETIONARY PORTFOLIO INVESTMENT MANAGEMENT SERVICE AGREEMENT

THIS ADDENDUM AGREEMENT entered into on this ____ day of ____, 20__ as mentioned herein, between the person (s) specified in Schedule A as the 'Client' which expression shall, unless repugnant to the meaning or context thereof, be deemed to mean and include where client is an Individual/ Company registered under Companies Act, 1956 or 2013/ Partnership Firm/ HUF / Board of Trustees of Trust and their respective heirs, executors and administrators/ son/ daughter/ wife of (not applicable for corporate, partnership and HUF / represented by Director/ Partner/ Karta/ Trustee (not applicable to Individual Clients),

AND

Marcellus Investment Managers Private Limited, a private limited company incorporated under the Companies Act, 2013 and having its registered office at 602, Odyssey-1, Hiranandani Gardens, Powai, Mumbai, India - 400076 (hereinafter referred to as "Portfolio Manager", which expression shall, unless repugnant to the context or meaning thereof be deemed to include its successors and assigns);

WHEREAS:

- (a) The Client(s) and Portfolio Manager have entered into a Discretionary Portfolio Management Services Agreement ("Agreement");
- (b) The Portfolio Manager has amended certain terms of the Agreement in order to bring clarity to the existing terms in the Agreement.
- (c) For administrative convenience, Client and Portfolio Manager have agreed to sign this Addendum Agreement instead of signing the new version of the agreement.

NOW THIS AGREEMENT WITNESSTH AND IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO AS UNDER:

1. In Clause 1 - "Definitions" in the Agreement, the following new / changed definitions shall be inserted.

The following Clause 1.2 shall be inserted in the Agreement -

"Account Activation Date" means the date on which a unique Client code is generated by the Portfolio Manager.

The following Clause 1.3 shall be inserted in the Agreement -

"Account Activation Anniversary Date" means the 12 (twelve) month anniversary of the Account Activation Date and every 12 (twelve) month anniversary, thereafter.

Clause 1.14 of the Agreement shall be replaced by the following -

"Corpus Investment Value" shall mean monies given and value of securities at the time of initial funding or subsequent top-up of DPMS account, by the client and included by the Portfolio Manager in its Assets under Management or Assets under Advisory in accordance with SEBI PMS regulations as reduced by any redemptions.

The following Clause 1.22 shall be inserted in the Agreement -

"Fixed Fee" means a fixed fee payable by the Client to the Portfolio Manager for DPMS Services, as further specified in the Fee Schedule.

The following Clause 1.23 shall be inserted in the Agreement -

"Fixed Fee Billing Period" means the frequency at which the Fixed Fees will be payable by the Client to the Portfolio Manager as set out in the Fee Schedule"

Clause 1.25 of the Agreement shall be replaced by the following -

"High Water Mark" shall mean the higher of either 'corpus investment value' or 'highest NAV (before charging Performance Fee)' on which client has paid a Performance Fee to the Portfolio Manager'.

The following Clause 1.26 shall be inserted in the Agreement -

"Hurdle Rate of Return" shall mean a certain agreed level of return (as specified in the Fee Schedule) achieved in a Performance Fee Billing Period calculated on the relevant Performance Fee Billing Period's opening NAV.

Clause 1.28 of the Agreement shall be replaced by the following -

"Net Asset Value" or "NAV" for any given day in respect of any Client account will be calculated by aggregating the following:

- a) The total market value of all Securities in client's account as on the end of the day,
 - b) Cash/Bank balance in client's account as at the end of the day,
 - c) All income (dividend, interest, etc.) accrued on the investments in client's account over the course of the day,
 - d) all receivables and payables due from / to the Client at the end of the day;
- and reducing from this aggregate all the charges, fees, expenses, statutory levies and other costs payable by the Client as per the Fee Schedule.

The following Clause 1.31 shall be inserted in the Agreement -

"Performance Fee" shall mean a performance linked fee payable by the Client to the Portfolio Manager for the PMS Services, as further specified in the Fee Schedule that will be payable if the Portfolio Manager achieves a rate of return that is greater than the Hurdle Rate of Return for the relevant Performance Fee Billing Period subject to the High Water Mark for the relevant Performance Fee Billing Period.

The following Clause 1.32 shall be inserted in the Agreement -

"Performance Fee Billing Period" means a 12-months period from the Account Activation Date or Account Activation Anniversary Date, as the case may be.

Clause 1.41 of the Agreement shall be replaced by the following -

"Schedule to the Agreement" means the schedules to this Discretionary Portfolio Investment Management Service Agreement which have been filled, signed and executed by the Client for the purpose of availing portfolio management services from the portfolio manager in accordance with terms of this Agreement & includes any amendment thereto made in writing upon mutual consent of the Parties hereto. These schedules could be executed at the time of signing of this Agreement or at any date subsequent to date of execution of this Agreement and it is hereby understood between parties that if Portfolio Manager accepts Client's request received from Client's email address registered with the Portfolio Manager provided such request is regarding change in fees, top up, redemption or alteration of terms and details listed in schedules to this Agreement then it shall be considered as a valid amendment to this Agreement and schedules thereto.

2. In Clause 7.1 titled "TERMS FOR TRADING IN DERIVATIVES", the line "to protect the value of client's portfolios in periods of market instability" is deleted from the first sentence of the clause and clause 7.1. stands amended as follows.

Clause 7.1 of the Agreement shall be replaced by the following -

The Portfolio Manager might transact in derivatives in case it deems it necessary." If the client does not want the Portfolio Manager to use derivatives at all in his/her portfolio, then, he/she can mention Derivatives as negative security in Account opening form and the Portfolio Manager would be barred from using derivatives in the client's portfolio.

All Holders Signature

3. Clause 11 of the Agreement shall be replaced by the following -

- 11.1 The Client agrees to pay all the fees and charges to the Portfolio Manager at the rates and in the manner provided in this Agreement and the schedules hereto. The schedules with the specific details of the investment approach and details of fee and charges shall form an integral part of this Agreement.
- 11.2 All fees and charges payable by the Client shall be debited to Client Account by the Portfolio Manager on the due date.
- 11.3 Invoice or statement of fees and charges billed and recovered from the Client shall be made available by the Portfolio Manager to the Client through the Portfolio Manager's online client portal and/or electronic mail. If the Client has any queries regarding fees and charges, the Client should raise the same with the Portfolio Manager within 7 (Seven) calendar days from the date on which such invoice/statement was shared with the Client by the Portfolio Manager.
- 11.4 In case the value of Securities in Client account is not sufficient for the payment of fees and charges due to the Portfolio Manager under this Agreement, the Client agrees to pay such shortfall within 10 (ten) calendar days from the date of receipt of intimation of such shortfall from the Portfolio Manager.
- 11.5 In the event that the due date for any payment to be made /received by either Party falls on a bank holiday, the due date for such payment / receipt shall be deemed to be the business day immediately following the bank holiday.
- 11.6 In the event of a change in the Portfolio Management Fees, the Portfolio Manager and the Client shall thereupon mutually agree upon a Portfolio Management Fee payable to the Portfolio Manager, and the provisions of the schedules hereto shall be modified or substituted accordingly.
- 11.7 The Parties agree that all functions in relation to the Discretionary Portfolio Management Services or otherwise pursuant to this Agreement shall be performed by the Portfolio Manager for and on behalf of, and at the risk and cost of the Client and all liabilities concerning the Assets or the Discretionary Portfolio Management Services shall be to the account of the Client. In addition to the Portfolio Management Fee, all costs, fees, Entry loads, Exit loads, charges and expenses of whatsoever nature incurred by the Portfolio Manager or any other person appointed by the Portfolio Manager arising out of or in connection with or in relation to the management, acquisition, holding, custody, sale and/or transfer, of the Assets or the rendering of the Discretionary Portfolio Management Services or the performance of any act pursuant to or in connection with this Agreement including, without limitation to the generality of the aforesaid, the expenses and cost of safe keeping of Assets, charges of any Bank / Depository Participant and/or Custodian, fund accountant appointed specifically for NRI Clients or for others, registration and transfer charges in respect of Securities, including legal fees of the Portfolio Manager incurred on behalf of the Client, brokerage and stamp duty shall be paid or reimbursed by the Client. Illustrative and non-exhaustive list of charges and costs associated with the DPMS offering are listed in schedules to this agreement.
- 11.8 The Portfolio Manager shall have a right to appropriate the amounts payable to it under Clause 11 or under any other provision of this Agreement from the Assets and the Portfolio Manager may for this purpose sell or otherwise liquidate the Portfolio or any part thereof. The Portfolio Manager shall have a right of lien and set off on the Portfolio for such amounts and any right of the Client to withdraw the Assets or any part thereof shall be subject to the Portfolio Manager having first received all such amounts.
- 11.9 Fees shall be charged on any infusion/withdrawal of Funds on a pro rata basis based on the number of days on the basis of a 365-day year (366 days in leap year) for which the Funds have been managed

4. Clause 12.3 of the Agreement shall be replaced by the following -

The Net Asset Value for any given day will be calculated by aggregating the following:

- a) The total market value of all Securities in client's account as on the end of the day,
- b) Cash/Bank balance in client's account as at the end of the day,
- c) All income (dividend, interest, etc.) accrued on the investments in client's account over the course of the day.
- d) All receivables and payables due from / to the client at the end of the day;

and reducing from this aggregate the charges, fees, expenses and other costs payable by client.
Illustrative examples for calculating fees are set out in schedules to this agreement.

5. Insertion of amended Fee Schedule

The previous Fee Schedule 3 (for Consistent Compounder Portfolio), Schedule 5 (for Kings of Capital Portfolio) and Schedule 7 (for STP Investment Approach) shall be replaced by the new Schedule 3, Schedule 5, Schedule 7 as the case may be respectively.

6. All other terms and conditions as included in the Agreement shall remain as is.

The parties have caused this Addendum Agreement including the schedules forming part thereof to be signed on the day and year and manner hereinafter mentioned.

**Schedule A
Description of Client**

Name : First Applicant / ASL	Name : Second Applicant / ASL	Name : Third Applicant / ASL
Address First Applicant _____ _____ City _____ Pin Code <input type="text"/>	Address First Applicant _____ _____ City _____ Pin Code <input type="text"/>	Address First Applicant _____ _____ City _____ Pin Code <input type="text"/>

Place _____

Date

D	D	M	M	Y	Y	Y	Y
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For Marcellus Investment Managers Private Limited

(Authorised Signatory)