

## Model Letter of Appointment - Independent Directors

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Date: 29<sup>th</sup> September 2014

To,  
{Name of Independent Director}  
{Address}

Dear Sir,

Re.: Your appointment as an Independent Director

I am writing to confirm our decision to appoint you on the Board of Directors of Deccan Cements Limited. The shareholders at the 34<sup>th</sup> Annual General Meeting of the Company has approved your appointment as an Independent Director of the Company to hold office for five consecutive years with effect from 29<sup>th</sup> September 2014 to 28<sup>th</sup> September, 2019, not liable to retire by rotation.

This letter of appointment sets out the terms and conditions covering your appointment which are as follows:

### **A. Preliminary:**

Your appointment is subject to the following:

1. During your tenure as an Independent Director, you will have to submit a declaration at the beginning of every Financial Year under Section 149 (7) of the Companies Act, 2013 ("Act") stating that you meet the criteria of Independence.
2. So long as you are an Independent Director of the Company, the number of companies in which you hold office as a Director or a Chairman or Committee Member will not exceed the permissible limit stipulated under provisions of the Companies Act, 2013 and the Listing Agreement.
3. So long as you are an Independent Director of the Company, you will ensure that you do not get disqualified to act as a Director pursuant to the provisions of Section 164 of the Companies Act, 2013.
4. So long as you are an Independent Director of the Company, you will ensure compliance with provisions of the Companies Act, 2013, the Listing Agreement and other laws, as applicable to you as an Independent Director.
5. You will be expected to attend Board, Board Committees to which you may be appointed and Shareholders/ Stakeholders Meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively.
6. By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.

## **B. Term of Office:**

Your appointment as an independent director is for a term of 5 (Five) years commencing from 29<sup>th</sup> September 2014, to 28<sup>th</sup> September 2019, not liable to retire by rotation.

## **C. Committees:**

You will continue to be a Member / Chairman on the Committees of the Board (as applicable to the respective director).

Further the Board may, if it deems fit, invite you for being appointed on one or more existing Board Committees or any such Committee that is set up in the future. Your appointment on such Committee(s) will be subject to the applicable regulations.

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

1. You will abide by the Deccan Cements Limited - Code of Conduct of the Company as set out separately.
2. You will abide by the guidelines of professional conduct, role, function and duties as an Independent Directors provided in Schedule IV of the Companies Act, 2013,
3. You will not hold office as a Director or any other office in a competing firm/entity.
4. You are expected to stay updated on how best to discharge your roles, responsibilities, and duties and liabilities, as an Independent Director of the Company under applicable law, including keeping abreast of current changes and trends in economic, political, social, financial, legal and corporate governance practices.
5. You are expected to:
  - i. act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interest of the Company
  - ii. discharge your duties with due and reasonable care, skill and diligence
  - iii. facilitate Company's adherence to high standards of ethics and corporate behavior;
  - iv. not to involve yourself in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
  - v. guide the Board in monitoring the effectiveness of the Company's governance practices and to recommend changes, required if any;
  - vi. guide the Board in monitoring and managing potential conflicts of interest of Management, Board Members and Stakeholders, including misuse of corporate assets and abuse in related party transactions;

#### **E. Performance Evaluation:**

1. The Company has adopted a policy on Board Evaluation. The policy provides for evaluation of the Board, the Committees of the Board and Individual Directors, including the Chairman of the Board.
2. As per the Policy, the Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis.
3. Your reappointment or extension of term and your remuneration will be recommended by the Nomination and Remuneration Committee of the Board, pursuant to a performance evaluation carried out by the Board.

#### **F. Status of Appointment and Remuneration:**

1. You will not be an employee of the Company and this letter shall not constitute a contract of employment.
2. You will be paid such remuneration by way of setting fees for Meetings of the Board and its Committees as may be decided by the Board and approved by the Shareholders from time to time.
3. The commission payable that may be determined by the Board at the end of each financial year which will be based on the performance of the Company.
4. You will be entitled to reimbursement of expenses incurred by you in connection with attending the Board meetings, Board Committee meetings, general meetings and in relation to the business of the Company towards hotel accommodation, travelling and other out-of-pocket expenses.
5. Pursuant to applicable law, you will not be entitled to any stock options.

#### **G. Familiarisation Program:**

The Company shall familiarize yourself with the business and affairs of the Company, growth plans, the peculiarities of the industry in which the Company operates its goals and expectations and long term plans and objectives.

#### **H. Disclosure of Interest:**

A general notice of disclosure of any material interest that as a Independent Director may have in any transaction or arrangement that the Company has entered into. Such interest should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record your interest appropriately and our records are updated.

**I. Termination:**

1. You may resign from the directorship of the company at any time by giving a reasonable written notice to the company stating the reason for resignation.
2. If at any stage during your term, your directorship on the Board of the company shall be terminated or cease in accordance with the law on the grounds of termination as specified under provisions of the Companies Act, 2013, the Listing Agreement or Code of Conduct of the Company.

**J. Miscellaneous**

1. You will have access to confidential information, whether or not the information is marked or designated as “confidential” or “proprietary”, relating to the Company and its business including legal, financial, technical, commercial, marketing and business related records, data, documents, reports, etc., client information, intellectual property rights (including trade secrets), (“Confidential Information”).
2. You shall use reasonable efforts to keep confidential and to not disclose to any third party, such Confidential Information.
3. If any Confidential Information is required to be disclosed by you in response to any summons or in connection with any litigation, or in order to comply with any applicable law, order, regulation or ruling, then any such disclosure should be, to the extent possible, with the prior consent of the Board.

Please confirm your acceptance by signing, dating, and returning a copy of this letter to the Company.

Yours faithfully,  
for and behalf of Deccan Cements Limited

Mr. M B Raju  
Executive Chairman

I hereby acknowledge receipt of and accept the terms set out in this letter

Signature-----  
Name of Independent Director  
DIN:

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