



## **LETTER OF APPOINTMENT**

**To:**

....., Director

Dated: .....

### **APPOINTMENT AS AN INDEPENDENT DIRECTOR**

We thank you for your confirmation to the Company that you meet the independence criteria as envisaged under Sec 149(6) of the Companies Act, 2013 (the “Act”) and accordingly the Board has determined you to be independent in terms of “independence” requirements as stipulated by the Companies Act, 2013 and the Listing Agreement.

I am pleased to inform that the members of the Company in its .... Annual General Meeting held on ..... has approved your appointment as an **Independent Director** on the Board of Directors of the Company with effect from .....

This letter of appointment sets out the broad terms of reference of your duties and responsibilities as independent directors under the Act, Listing Agreement and the Articles of Association.

#### **Role of the Board**

You alongwith the other Board members shall be collectively responsible for meeting the Boards objectives as set out in the Companies Act, 2013 and the Listing Agreement which inter alia includes providing of strategic guidance to the Company and ensuring effective monitoring of the Company management . As a Director and member of the Board, you are expected to take decisions objectively in the interests of the Company. All directors, whether non-executive or executive, have the same general legal responsibilities.

#### **Duties of Director (under Section 166 of the Companies Act, 2013)**

As a Director, you will

- (1) Subject to the provisions of this Act, act in accordance with the articles of the company.
- (2) 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 interests of the company, its employees, the shareholders, the community and for the protection of environment.
- (3) exercise your duties with due and reasonable care, skill and diligence and shall exercise independent judgment.



- (4) not be involved 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.
- (5) not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
- (6) not assign his office and any assignment so made shall be void.

If a director of the company contravenes the provisions of this section such director shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.

### **Term**

You will hold office for a period of ... years i.e. from ..... till ..... subject to the applicable provisions of the Act and the Articles of Association.

Your reappointment or extension of term will be recommended by the Nomination and Remuneration Committee of the Board, pursuant to a performance evaluation carried out by the Board.

You may resign from the Directorship by giving notice in writing stating the reasons for resignation and the date from which the resignation will become effective.

### **Code of Conduct**

You will abide by the DIC's Code of Conduct and business principles dated 29<sup>th</sup> April 2005 as attached herewith.

You would also be subject to the Code of Independent Directors as per Schedule IV under Section 149(8) of the Companies Act, 2013. A copy of the Code is attached herewith for your reference.

### **Timing and Location of Board Meetings, and Time Commitment**

In addition to being a member of the Board, you may also be appointed as members of the different Committees of the Board. You will be expected to devote sufficient time to attend and contribute to the various Board/Committee meetings in discharge of your duties, as and when called for, of which prior intimation will be given to you suitably in advance. Meetings usually take place at the Company's registered office in Kolkata.

### **Remuneration**

The board determines the level of remuneration paid to its non-executive members within any limitations imposed by shareholders and the same will be intimated to you from time to time. At present, the Company pays sitting fees for attending the Board/Committee meetings as given hereunder:



<b>Sitting fees for attending Board meetings:</b>	
Sitting Fees for Non-executive Chairman	Rs. 18,000/-
Sitting Fees for Non-executive Directors	Rs. 15,000/-

<b>Sitting fees for attending Committee meetings:</b>	
Sitting Fees for Chairman of Audit Committee	Rs. 18,000/-
Sitting Fees for Chairman of Nomination & Remuneration Committee	Rs. 15,000/-
Sitting Fees for Chairman of Investors Grievance & Stakeholders Relationship Committee	Rs. 15,000/-
Sitting Fees for Chairman of CSR Committee	Rs. 15,000/-
Sitting Fees for Non-executive Directors for attending Committees Meeting	Rs. 15,000/-

In addition to the above, the Board may pay commission , payable at the end of each financial year based on the performance of the Company and your performance evaluated by the Board of Directors.

### **Board and Individual Director Evaluation Processes**

The performances of the Board as whole and individual directors will be evaluated annually. If, in the meantime, there are any matters which cause you concern about your role you should discuss them with the Chairman of the Board as soon as appropriate.

### **Outside Interests Including Directorships**

It is accepted and acknowledged that you may have business interests other than those of the Company. You will disclose your concern or interest u/s 184 in any company or companies or bodies corporate (including shareholding interest), firms or other association of individuals, by giving a notice in writing in the relevant forms as may be specified from time to time. Please ensure that the Company is kept informed of any changes to your interests so that the interests register can be maintained up to date.

Any director is, while holding office, at liberty to accept other board appointments so long as the appointment is not in conflict with the Company's business and does not materially interfere with their performance as a director of the Company. All other appointments must first be discussed with the Chairman before being accepted.

If circumstances changes in any way which may affect your status as an independent Director, you must immediately disclose this to the Board.



## Shareholdings by Directors in the Company

When buying or selling shares directors are expected to strictly observe the provisions of the Company's Articles of Association and all relevant legislative and regulatory procedures including Inside Trading Regulations.

## Confidentiality

All information acquired during your appointment is confidential to the Company and should not be disclosed either during your appointment or following termination (by whatever means) to third parties except as permitted by law and with prior clearance from the Chairman.

We look forward to your association with us.

Yours sincerely  
For **DIC India Limited**

(.....)  
Chairman

Encl.: Code of Independent Directors as per Schedule IV under Section 149(8) of the Companies Act, 2013.

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I confirm and agree to the terms of my appointment as an Independent Director of DIC India Limited as set out in this letter.

.....  
Name of Director: .....  
DIN: .....  
Date:  
Place:



## **Schedule IV**

[See section 149(8) of the Companies Act, 2013]

### **CODE FOR INDEPENDENT DIRECTORS**

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

#### **I. Guidelines of professional conduct:**

An independent director shall:

- (1) uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising his duties;
- (3) exercise his responsibilities in a *bona fide* manner in the interest of the company;
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (6) not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (7) refrain from any action that would lead to loss of his independence;
- (8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (9) assist the company in implementing the best corporate governance practices.

#### **II. Role and functions:**

The independent directors shall:

- (1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;



- (2) bring an objective view in the evaluation of the performance of board and management;
- (3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) balance the conflicting interest of the stakeholders;
- (7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- (8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

### **III. Duties :**

The independent directors shall—

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- (3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the company;
- (6) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- (7) keep themselves well informed about the company and the external environment in which it operates;
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;



- (9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- (10) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- (11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) acting within their authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- (13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

#### **IV. Manner of appointment:**

- (1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- (2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- (3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
- (4) The appointment of independent directors shall be formalised through a letter of appointment, which shall set out:
  - (a) the term of appointment;
  - (b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
  - (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
  - (d) provision for Directors and Officers (D and O) insurance, if any;
  - (e) the Code of Business Ethics that the company expects its directors and employees to follow;



- (f) the list of actions that a director should not do while functioning as such in the company; and
  - (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- (5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- (6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

#### **V. Re-appointment:**

The re-appointment of independent director shall be on the basis of report of performance evaluation.

#### **VI. Resignation or removal:**

- (1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- (2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than three months from the date of such resignation or removal, as the case may be.
- (3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

#### **VII. Separate meetings:**

- (1) The independent directors of the company shall hold at least one meeting in a financial year, without the attendance of non-independent directors and members of management;
- (2) All the independent directors of the company shall strive to be present at such meeting;
- (3) The meeting shall:
  - (a) review the performance of non-independent directors and the Board as a whole;



- (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**VIII. Evaluation mechanism:**

- (1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- (2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.