

Date:

Name:

Dear \_\_\_\_\_,

**Sub: Your Appointment as Independent Director**

I am pleased to inform you that the Board of Directors ('the **Board**') and the shareholders of Deepak Fertilisers And Petrochemicals Corporation Limited ('the **Company**') have approved your appointment as an independent director of the Company ('**Independent Director**'). This letter sets out the terms of your appointment.

**1. Appointment/Re-appointment**

1.1 You have been appointed as a Non-Executive Independent Director on the Board of Directors of the Company with effect from 31<sup>st</sup> July, 2014 by the Shareholders of the Company at their Annual General Meeting held on 31st July, 2014 "for 3 (Three) consecutive years for a term upto the Annual General Meeting for the Financial Year 2016-17 or 30th July, 2017, whichever is earlier". Your appointment is subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013, the Rules made there under and the Listing Agreement.

1.2 The term Independent Director should be construed as defined under the Companies Act, 2013 and the Listing Agreement.

1.3 During your tenure as an Independent Director, you may be asked to serve on one or more of the Board Committees. Copies of the terms of reference for each of those committees would be provided to you at the appropriate time, if not already provided for.

1.4 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.

**2. Functions, Responsibilities and Duties of Directors**

**2.1. Functions**

- (a) To review the Company's strategy, the annual financial plan and monitor the Company's performance;

- (b) To review and decide on succession planning of executive officers of the Company;
- (c) To advice and counsel the Management;
- (d) To monitor and manage potential conflicts of interests of the Management;
- (e) To oversee and ensure the integrity of financial information and legal compliance.

## **2.2. Responsibilities**

Independent directors have the same general legal responsibilities to the Company as that of any other Director. The Board, as a whole, is collectively responsible for ensuring the success of the Company by directing and supervising the Company's affairs.

## **2.3. Duties**

Your role and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 and the Listing Agreement. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature. As an Independent Director, you shall:

- (a) undertake the appropriate induction into the Board and regularly update and refresh your skills, knowledge and familiarity with the Company;
- (b) seek appropriate clarification and, where necessary, seek and follow appropriate professional advice from external experts;
- (c) strive to attend every meeting of the Board and of the Board Committees of which you are a member;
- (d) actively and constructively participate in the Board Committees of the Board in which you may be a member or the Chairperson;
- (e) strive to attend the general meetings of the Company;
- (f) ensure that any concerns that you may have about the running of the Company are addressed by the Board and seek inclusion of

these concerns in the Board minutes to the extent these concerns are not resolved;

- (g) keep yourself well informed about the Company and the external environment in which it operates;
- (h) not unfairly obstruct the functioning of an otherwise proper Board or Committee;
- (i) ensure that related party transactions are considered carefully before they are approved and are in the interest of the Company;
- (j) ensure that the whistleblower function of the Company is functioning adequately;
- (k) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics;
- (l) within your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- (m) not disclose any confidential information unless such disclosure is expressly approved by the Board or required by law.

### 3. Fees

- 3.1. The compensation of the non-executive/independent directors is approved at a meeting of the Board. The total compensation payable to the entire group of non-executive/independent directors is limited to a fixed amount per year determined by the Board. This amount shall not exceed 1% of the net profit of the Company for the year calculated as per the provisions of the Companies Act, 2013.

For determination of compensation payable to the independent directors, due weightage will be given to attendance, impactful contributions made at the Board/ Committee meetings, network help provided, etc.

- 3.2. The non-executive/independent directors are entitled to Sitting Fee of Rs. 10,000/- per meeting of the Board or Board Committees.
- 3.3. In addition to the above, non-executive/independent directors would be entitled to the reimbursement of expenditure that may be

incurred in traveling to the place of the Board meetings and other committee meetings of the Company and back to their normal place of residence.

4. **D & O Insurance**

The Company maintains a Directors and Officers insurance policy (D & O policy) to pay for the personal liability of Directors and Officers for claims made against them while serving on the Board and / or as an officer of the Company.

5. **Term**

Subject to applicable law, non-executive/independent Directors are eligible to serve for a period of 3 years from the date of appointment.

6. **Memberships of other boards**

Apart from the applicable law and good corporate governance practices, there are no other additional limitations.

7. **Mechanism for evaluating Board members**

The performance of individual Directors and the whole Board and its Committees shall be evaluated by the Nomination & Remuneration Committee. If, in the interim, there are any matters arising in connection with your role as a Non-Executive Independent Director which cause you concern, you may discuss with us as soon as appropriate.

8. **Dealing in shares and Code of Conduct**

Directors are *prohibited* from dealing in the Company's shares during the period when the trading window is closed. Further, Directors, being designated officers of the Company for the purpose of insider trading guidelines, are to pre-clear all trades (buy/sell/gift) from the Compliance Officer. You are required to comply with the applicable insider trading laws and regulations. You are also required to comply with the Company's *Code of Conduct* enclosed with this letter of appointment.

It will be our pleasure to have you on Board. I am confident that your association, expertise and advice will immensely benefit the Company and the Board.

If you are willing to accept these terms of appointment relating to your appointment as a non executive Independent Director of the Company, kindly confirm your acceptance of these terms by signing and returning to us the enclosed copy of this letter.

Yours sincerely

For and on behalf of Deepak Fertilisers And  
Petrochemicals Corporation Limited

S. C. Mehta  
Chairman & Managing Director

**Encl: Code of Conduct**

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

Signed .....

Dated .....