

APPOINTMENT LETTER – INDEPENDENT DIRECTOR

_____, 2014

Mr. _____

Dear Mr _____,

We are pleased to inform that the Shareholders of DIL Limited ('Company') at 62nd Annual General meeting of the Company has approved your appointment as an Independent Director of the Company, effective April 1, 2014. Pursuant to the provisions of Companies Act, 2013, including Schedule IV and Rules made there under (as may be amended, modified or re-enacted from time to time) ('2013 Act'), your appointment is being formalised through this letter of appointment covering the terms and conditions of your appointment.

1. Term:

Your appointment as an Independent Director of the Company will be for a period of five (5) years effective from April 1, 2014 ('Term'). The terms of appointment shall be subject to the provisions of 2013 Act and Articles of Association of the Company. Your Appointment is also subject to the maximum permissible Directorships that one can hold as per the provisions of 2013 Act and the "Listing Agreement" with the Stock Exchange.

The term Independent Director should be construed as defined under the provisions of 2013 Act and the Listing Agreement.

2. Committees of the Board:

During the Term, the Board of Directors (Board) of the Company may appoint you as member or chairman of the committee(s) of the Board (Committee(s)). Presently, you have been appointed as member / chairman on the following Committees:

- (i) Chairman / Member* of Audit Committee
- (ii) Chairman / Member* of Nomination and Remuneration Committee
- (iii) _____ * (To add other Committees, as may be applicable)

* (strike off whichever is not applicable)

Terms of reference of the aforesaid Committees has been provided to you at the time of appointment on such Committees. The Board may reconstitute the composition of the Committee(s) and revise the terms of reference of the Committee(s) from time to time, subject to the provisions of 2013 Act, the Listing Agreement and other applicable regulations.

3. Role, Duties and Liabilities:

- (I) The role, duties and liabilities as an Independent Director are presently governed by 2013 Act and the Listing Agreement, including the following:

- (a) Subject to the provisions of 2013 Act and the Listing Agreement, you shall act in accordance with the Articles of Association of the Company.
- (b) You shall 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.
- (c) You shall exercise your duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (d) You shall not involve 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.
- (e) You shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates.
- (f) You shall not assign your office of Director of the Company and any assignment so made shall be void.
- (g) You shall provide necessary disclosures under 2013 Act and the Listing Agreement including disclosure of your interest, if any, in a contract or arrangement or proposed contract or arrangement, in which you may be directly or indirectly interested, as per provisions of section 184 of 2013 Act.

(II) During the Term, you shall ensure adherence to the following:

- (a) The guidelines, roles, functions, duties and responsibilities as prescribed in Code for Independent Directors as per Schedule IV to 2013 Act. The relevant extract of the Code for Independent Directors is provided in Annexure I.
- (b) The provisions of Company's Code of Conduct and Code for Prevention of Insider Trading and Corporate Disclosure Practices. Copy of the said Codes has been provided to you separately for your reference.

(III) In addition, you are expected to provide your expertise, professional guidance and independent views in relation to the Company's goals and objectives, strategic deliberations and decisions, Company's performance, financial / internal controls, risk management and shall ensure high standards of corporate governance.

4. Remuneration:

You will not be an employee of the Company and this letter shall not constitute a contract of employment. During the period of your appointment, you shall be entitled for sitting fees for attending meetings of the Board and Committee(s) Meetings either personally or through video conferencing or any audio visual means or teleconference, as may be approved by the Board, from time to time, subject to the ceiling prescribed under the provisions of 2013 Act. Presently the sitting fees paid for attending Board meeting and Committee meeting is Rs. 20,000 and Rs.5000 per meeting respectively.

Based on the recommendation, if any, of the Nomination and Remuneration Committee and approval of the Board and shareholders of the Company, profit related commission as per limits laid down in 2013 Act, may also be paid to you.

5. Performance evaluation:

Your performance as director shall be evaluated on annual basis, by the Board (i.e. by other members of the Board excluding yourself). Such evaluation shall be done on the basis of the evaluation criteria / policy, as may be determined by the Nomination and Remuneration Committee of the Board. Your re-appointment or continuation of Term as an Independent Director shall be based on the report of this annual performance evaluation.

6. Directors and Officers (D & O) insurance:

The Company has taken an appropriate D & O insurance policy ('Policy') for its Directors and pays the premium towards the Policy. It is intended by the Company to maintain such Policy for your entire Term as an Independent Director of the Company, subject to the terms and conditions of the Policy.

7. Resignation / Termination:

You shall be entitled to resign from your position at any time. In case you wish to do so, you are requested to send a reasonable written intimation to the Board, in the format as may be prescribed under the Act.

Your appointment may be terminated in accordance with the provisions of 2013 Act or the Articles of Association of the Company.

8. Jurisdiction:

The provisions of this letter shall be construed and governed by the laws of India and shall be subject to exclusive jurisdiction of the Courts of Mumbai.

Kindly confirm your acceptance of the above terms by signing and returning to us the enclosed copy of this letter.

For DIL Limited

Chairman / Managing Director

I hereby accept the above terms and conditions

Name:

Date:

Annexure I

CODE FOR INDEPENDENT DIRECTORS

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfillment 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 his 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. Separate meetings:

(1) The independent directors of the Company shall hold at least one meeting in a 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.
