

D. B. CORP LTD.

STANDARD TERMS AND CONDITIONS OF APPOINTMENT OF AN INDEPENDENT DIRECTOR (ID)

Statutory position

1. Appointment of an ID is in the statutory capacity as a “Non-executive Independent Director” on the Board of Directors of the Company which is subject to all the applicable provisions of the Companies Act, 2013 as may be amended from time to time (“the Act”).
2. In compliance with provisions of Section 149(13) of the Act, directorship of the ID is not liable to retire by rotation.
3. Notwithstanding other provisions of this Letter, appointment of the ID may be terminated in accordance with the provisions of the Articles of Association of the Company or on failure to meet the eligibility criteria of independence as defined under Section 149(6) or on the occurrence of any event as prescribed in Section 167 of the Act.

Time Commitment

4. As a Non-executive Independent Director, the ID is expected to bring objectivity and independence of view to the Board’s discussions and help to provide the Board with effective leadership in relation to the Company’s strategy, performance and risk management as well as ensuring high standards of financial probity and corporate governance. The Board generally meets four times in a year. The Audit Committee also meets at least four times in a year. Besides, there are other Committee meetings like Nomination and Remuneration Committee, Stakeholders’ Relationship Committee, Corporate Social Responsibility Committee, Compensation Committee and Executive Committee meetings which are ordinarily convened as per requirements. The ID will be expected to attend meetings of the Board and other Committees to which he/she may be appointed and also the Shareholders’ meetings and to devote such time to his/her duties, as appropriate for him/her to discharge them effectively. Ordinarily, all Board and Committee meetings are held in Mumbai whereas the shareholders’ meetings are held in Ahmedabad where the Registered Office of the Company is situated.

5. By accepting this appointment, the ID confirms that he/she is able to allocate sufficient time to meet the expectations from his/her role to the satisfaction of the Board.

Professional Conduct

6. As an independent director, the ID shall:
 - i. uphold ethical standards of integrity and probity;
 - ii. act objectively and constructively while exercising his/her duties;
 - iii. exercise his/her responsibilities in a bona fide manner in the interest of the company;
 - iv. devote sufficient time and attention to his/her professional obligations for informed and balanced decision making;
 - v. not allow any extraneous considerations that will vitiate his/her 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;
 - vi. not abuse his/her 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;
 - vii. refrain from any action that would lead to loss of his/her independence;
 - viii. where circumstances arise which make him/her lose his/her independence, he/she must immediately inform the Board accordingly;
 - ix. assist the company in implementing the best corporate governance practices.

Role, Duties, Functions and Separate Meeting/s

7. Role and duties of the IDs will be as normally required of a Non-executive Independent Director under the Companies Act, 2013. These are fiduciary in nature and inter alia, include the following:
 - i. The ID shall act in accordance with the Company's Articles of Association, as may be amended from time to time.
 - ii. The ID 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 interest of the Company.

- iii. The ID shall discharge his/her duties with due and reasonable care, skill and diligence.
- iv. The ID shall not involve himself/herself in a situation in which he/she may have a direct or indirect interest that conflicts or possibly may conflict with the interest of the Company.
- v. The ID shall not achieve or attempt to achieve any undue gain or advantage either to himself/herself or to his/her relatives, partners or associates.
- vi. The ID shall not assign his/her office as Director and any assignments so made shall be void.
- vii. The ID shall undertake appropriate induction and regularly update and refresh his/her skills, knowledge and familiarity with the company.
- viii. The ID shall 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;
- ix. The ID shall strive to attend all meetings of the Board of Directors and of the Board Committees on which he/she may be appointed as a Chairperson / member.
- x. The ID shall participate constructively and actively in the committees of the Board.
- xi. The ID shall strive to attend the general meetings of the company;
- xii. Where the ID has concerns about the running of the company or a proposed action, he/she shall ensure that these are addressed by the Board and to the extent that they are not resolved, insist that his/her concerns are recorded in the minutes of the meeting.
- xiii. The ID shall keep himself/herself well informed about the company and the external environment in which it operates.
- xiv. The ID shall not unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
- xv. The ID shall pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure himself/herself that the same are in the interest of the company;
- xvi. The ID should ascertain and ensure that the company has an adequate and functional vigil mechanism and that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;

- xvii. The ID should report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- xviii. Acting within the authority, the ID should assist in protecting the legitimate interests of the company, shareholders and its employees;
- xix. The ID should 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.

In addition to the above requirements, the Board of Directors also expects the ID to perform the following functions:

- (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 himself/herself 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 wherever 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

It is also expected from all the independent directors that they hold at least one separate meeting as follows:

- (1) All the independent directors shall hold at least one meeting in a year, without the attendance of non-independent directors and members of the management;
- (2) All the independent directors 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 its duties.

Remuneration, etc.

8. The ID will not be an employee of the Company and this letter shall not constitute a contract of employment.
9. The ID will be paid such remuneration by way of sitting fees per meeting of the Board and its Committees as may be decided by the Board subject to the ceiling prescribed under the Act and reimbursement of expenses for participating in the Board and the Committee meetings.
10. The ID will not be paid remuneration in any other form apart from the sitting fees, etc. as mentioned above.
11. The ID will be covered under the Directors' and Officers' Insurance Policy as in force from time to time in the Company.
12. The ID will have no entitlement to any bonus during the appointment and no entitlement to participate in any employee stock option scheme operated by the Company or any Group Company.

Conflict of Interests

13. It is accepted and acknowledged that the ID may have business interests other than those of the Company. As a condition to his/her appointment, the ID is required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of his/her appointment and also at any change therein, as prescribed under the Act.

14. In the event that the circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, the circumstances might lead the Board to revise its judgement that the ID is independent, this should be disclosed to both the Chairman and the Company Secretary.

Disclosure of Interest

15. Any material interest that an ID may have in any transaction or arrangement that the Company has entered into should be disclosed no later than when the transaction or arrangement comes up at a Board Meeting so that the minutes may record his/her interest appropriately and the records of the Company are updated. A general notice that the ID is interested in any contract with a particular person, firm or company is acceptable, as prescribed under the Act.

Code of Conduct

16. During the appointment, the ID is requested to comply with regulations as contained in Schedule IV under the Act and the following codes of conduct of the Company (copies enclosed):

- i. Code of Conduct for Directors and Senior Management,
- ii. Code of Conduct for Prevention of Insider Trading and such other requirements as the Board of Directors may from time to time specify.

Confidentiality

17. All information acquired during appointment of the ID is confidential to the Company and should not be released, either during the appointment of the ID or following termination (by whatever means) to third parties without prior clearance from the Chairman unless required by law or by the rules of any stock exchange or regulatory body. On reasonable request, the ID shall surrender any documents and other materials made available to him/her by the Company in this regard.

18. Attention of the ID is also drawn to the requirements under the applicable regulations and the Company's Insider Trading Code which concerns the disclosure of price sensitive information and dealing in the securities of the Company. Consequently the ID should

avoid making any statements or performing any transactions that might lead to breach of these requirements, without prior clearance from the Chairman.

Publication of the letter of appointment - Confidentiality

19. Kindly note that in line with provision of Clause IV (5) of the Schedule IV to the Act, the terms and condition of appointment of independent director will be open for inspection at the registered office of the Company by any member during the business hours. As per Clause IV (6), it is to be posted on the Company's website.

Membership of Committees

20. The Board of Directors may appoint the ID as Member / Chairman of one or more of its Committees which will be covered in a separate communication setting out the relevant committee's terms of reference and any specific responsibilities.

Termination

21. The ID may resign from his/her position at any time and should he/she wish to do so, he/she is requested to serve a reasonable written notice on the Board. In terms of provisions of the Act, he/she is required to file a copy of his/her resignation letter with the Registrar of Companies, Gujarat.

22. Continuation of appointment of the ID is contingent on his/her getting re-elected by the shareholders in accordance with the provisions of the Act and the Articles of Association of the Company, as amended from time to time.

23. Appointment of the ID may also be terminated in accordance with the provisions of the Articles of Association of the Company as amended from time to time.

General

24. This Letter and any non-contractual obligations arising out of or in connection with this Letter are governed by and shall be construed in accordance with the laws of India and the parties agree to submit to the exclusive jurisdiction of the courts of Ahmedabad.

25. The ID should confirm his/her agreement to the above by signing and returning the enclosed duplicate copy of his/her Letter of Appointment.