

Date:

<<Name>>

<<Address>>

Dear Madam / Sir,

We are pleased to inform you that the Board of Directors / shareholders of Deepak Phenolics Limited ("the Company") at their Board Meeting / Extraordinary / Annual General Meeting held on <<date>> , approved your appointment as an Independent Director of the Company with effect from <<date>> for a period of <<term of appointment>> consecutive years.

This letter of appointment sets out the terms and conditions of your appointment as the Independent Director of the Company as mentioned hereunder:

## **1. Appointment**

Your appointment as the Non-Executive Independent Director on the Board of Directors of the Company is subject to provisions with regard to registration on the databank of Independent Directors, eligibility, proficiency and such other requirements of the Companies Act, 2013 ("the Act").

In compliance with provisions Section 149 (13) of the Act, your directorship is not subject to retirement by rotation.

Notwithstanding other provisions of this Letter, the appointment may be terminated in accordance with the provisions of Article of Association of the Company or on failure to meet the parameters of independence as defined in Section 149 (6) of the Act or on the occurrence of any event as defined in Section 167 of the Act.

Upon termination or upon your resignation for any reason, duly intimated to the Company, you will not be entitled to any compensation for loss of office.

## 2 Time Commitment

As an Independent Director, you are expected to bring objectivity and independence of view to the Board's discussions and to help 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. Besides, there are other Committee meetings like Audit Committee, Nomination and Remuneration Committee, Project Committee, Corporate Social Responsibility Committee and Risk Management Committee which are ordinarily convened as per requirements. You will be expected to attend meetings of Board and Board Committees to which you are member/chairman or may be appointed by the Board from time to time and Shareholders meetings and to devote such time, as appropriate for you to discharge your duties effectively.

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.

## 3. Committees

Besides the Board, you are inducted by the Board, on following Committee of Directors by the Board as a Member/ Chairman:

<b>Sr. No.</b>	<b>Name of the Committee of Directors</b>	<b>Role</b>
[•]	[•]	[•]

## 4. Role and Duties

Your role and duties will be those normally required of a Non-Executive Independent Director under the Act as may be amended and for the time being in force. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:

- I. You shall act in accordance with the Company's Articles of Association.
- II. 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 interest of the Company.
- III. You shall discharge your duties with due and reasonable care, skill and diligence.
- IV. You shall not 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. Please refer to Clause 9 for full explanation on conflict of interest.
- V. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
- VI. You shall not assign your office as a Director and any assignments so made shall be void.

In addition to the above requirements the Board of Directors also expect you to perform the following functions:

- I. You should help in developing proposals on strategy for growth of the Company.
- II. You should evaluate the performance of the management in meeting agreed goals and objectives.
- III. You should satisfy yourself on the integrity of financial information and that financial controls and systems of risk management are effective and efficient.
- IV. You will take responsibility for the processes for accurately reporting on performance and financial position of the Company.

V. You should keep governance and compliance with the applicable legislation and regulations under review and the conformity of Company's practices to accepted norms.

## **5. Liability**

As an Independent Director you will be liable only in respect of such acts of omission or commission by the Company which had occurred with your knowledge, attributable through Board processes, and with your consent or connivance or where you had not acted diligently.

## **6. Status of Appointment**

You will not be an employee of the Company and this letter shall not constitute a contract of employment. You will be paid such remuneration by way of sitting fees for attending meetings of the Board and its Committees as may be decided by the Board. Further, you will also be paid remuneration by way of commission on the net profit of the Company as may be decided by the Board pursuant to the approval of Shareholders from time to time.

The sitting fees presently paid to Non-Executive Independent Director is ₹ [●]/- per meeting of the Board, Audit Committee and Project Committee meeting and ₹ [●]/- per meeting of other Committee meetings.

You will have no entitlement to any bonus during the term of your appointment and no entitlement to participate in any employee stock option scheme of the Company or any Group Company.

## **7. Reimbursement of Expenses**

In addition to the remuneration described above, the Company will, for the term of your appointment, reimburse you for travel, hotel and other incidental expenses incurred by you in the performance of your role and duties.

## **8. Insurance**

The Directors of the Company are covered under the Directors' and Officers' Liability Insurance of Deepak Nitrite Limited, the holding Company of Deepak Phenolics Limited and it is intended that the Company will assume and maintain such cover for the full term of your appointment.

## **9. Conflict of Interest**

It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition of your appointment, you are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment.

In the event that your circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgment that you are independent, this should be disclosed to the Board in writing.

## **10. Disclosure of Interest**

Any interest that a Director 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 your interest appropriately and Company's records are updated. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.

## **11. Code of Conduct**

During the term of your appointment, you are required to comply with regulations as contained in Schedule IV to the Act as per Annexure-I and such other requirements as the Board of Directors may from time to time specify.

## **12. Confidentiality**

All information acquired during the term of your appointment is confidential to the Company and should not be released, either during your term or following cessation to third parties without prior written permission from the Company unless required by law or by the rules of any stock exchange or regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by the Company.

The Company, being a material wholly owned subsidiary of Deepak Nitrite Limited ('DNL'), which is a listed entity, you are requested to note that the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 ('SEBI (PIT) Regulations') and the 'Code of Conduct to Regulate, Monitor and Report, trading by designated persons and their immediate relatives' ('Insider Trading Code') of DNL, formulated under the SEBI (PIT) Regulations are *mutatis mutandis* applicable to the Directors and other designated persons of the Company. The SEBI (PIT) Regulations and the Insider Trading Code, regulate the confidentiality and communication of unpublished price sensitive information and dealing in the securities of DNL. Consequently, you are requested to avoid making any statements or performing any transactions that might risk a breach of these requirements. You are requested to contact the Company Secretary of the Company in case you need any further information in this regard or in case you wish to undertake any transaction in the securities of DNL. A copy of Insider Trading Code of DNL is enclosed herewith as Annexure-II for your ready reference.

## **13. Publication of letter of appointment**

In line with provision of Clause IV sub clause 6 of Schedule IV to the Act, the Company will make public the terms and conditions of your appointment and will also arrange it to be displayed on the Company's website.

## **14. Termination**

You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice on the Board along with detailed reasons thereof. In terms of provisions of the Act, you are required to file a copy of your resignation letter with Registrar of Companies, Gujarat.

Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with provisions of the Act and the Articles of Association of the Company, from time to time in force. You will not be entitled to compensation if the shareholders do not re-elect you at any time.

Your appointment may be terminated in accordance with the provisions of the Act or the Articles of Association of the Company for the time being in force.

## **15. General**

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 parties agree to submit to the exclusive jurisdiction of the courts of Vadodara.

Please confirm your agreement to the above by signing and returning the enclosed duplicate of this Letter.

**Yours sincerely,**

For **Deepak Phenolics Limited**

**Chairman & Managing Director**

I have read and agree to the above terms regarding my appointment as an Independent Director of Deepak Phenolics Limited.

**Signature :**

**Name** : <<Name of Director>>

**DIN** : <<DIN>>

**Date** : <<Date>>

**Place** : <<Place>>



## Annexure I

### Powers, Duties and Responsibilities of Independent Director

#### **A. PROFESSIONAL CONDUCT**

As an Independent Director of the Company, you shall:

- a) uphold ethical standards of integrity and probity;
- b) act objectively and constructively while exercising your duties;
- c) exercise your responsibilities in a bona fide manner in the interest of the Company;
- d) devote sufficient time and attention to your professional obligations for informed and balanced decision making;
- e) 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;
- f) not abuse your 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;
- g) refrain from any action that would lead to loss of your independence;
- h) where circumstances arise which make you as an Independent Director lose your independence, you must immediately inform the Board accordingly;
- i) assist the Company in implementing the best corporate governance practices

## **B. ROLE AND FUNCTIONS**

As an Independent Director of the Company, you shall:

- a) 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;
- b) bring an objective view in the evaluation of the performance of board and management;
- c) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- d) satisfy yourself on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- e) safeguard the interests of all stakeholders, particularly the minority shareholders;
- f) balance the conflicting interest of the stakeholders;
- g) 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;
- h) moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

## C. DUTIES

As an Independent director of the Company, you shall:

- a) undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the Company;
- b) 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;
- c) strive to attend all meetings of the Board of Directors and of the Board committees of which you are a member;
- d) participate constructively and actively in the committees of the Board in which you are a chairperson or a member;
- e) strive to attend the general meetings of the Company;
- f) ensure that your concerns about the running of the Company or a proposed action 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;
- g) keep yourself well informed about the Company and the external environment in which it operates;
- h) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- i) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure oneself that the same are in the interest of the Company;

- j) 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;
- k) report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- l) acting within your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- m) 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.

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