

Sub: APPOINTMENT AS INDEPENDENT DIRECTOR

I am pleased to inform that DCM Shriram Limited ("Company") has appointed you as an **Independent Director** of the Company in its Meeting held on

We have great pleasure in welcoming you on the Board of Directors of the Company.

This letter, read with the Annexures attached hereto, all of which form a part hereof, sets out the salient terms of your appointment. The relevant provisions of the Companies Act, 2013 (the "Act"), specifically Schedule IV of the Act i.e., the "Code for Independent Directors" (copy attached for reference at Annexure-I) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), as amended from time to time, shall apply and govern your appointment.

1. Term of Appointment

- 1.1 Your appointment as Independent Director is for a period of consecutive years, starting from, to, as approved by the members in the Meeting of the Company.
- 1.2 The term 'Independent Director' is to be construed as per definition(s) under the Act and SEBI LODR Regulations. We thank you for your confirmation that you meet the criteria of independence provided therein, and agree to continue to be qualified as "independent" during your tenure and provide periodic declarations as required. The extracts of relevant provisions, as presently applicable, are attached for reference (Annexure-II and III). Any change in the circumstances, which may affect your independence, should be promptly informed to the Company.
- 1.3 During the term of your appointment, the Board of Directors may, if it deems fit, invite you for being appointed as a Member or Chairperson of one or more existing Committee(s) of the Board, or any such Committee that is set up in the future. Your appointment on such Committee(s) will be subject to the applicable statutory provisions in this regard.
- 1.4 Performance evaluation of all Independent Directors is required to be carried out periodically, and at least once annually, in accordance with the provisions of the Act and SEBI LODR Regulations, and any additional criteria laid down by the Board of Directors and/or Nomination, Remuneration & Compensation Committee (NRCC). The same shall apply to your performance evaluation.

2. Salient Expectations

- 2.1 You are expected to comply with the Code for Independent Directors, *inter-alia*, including the following, as provided under Schedule IV of the Act (Annexure-I):
 - a) Guidelines of Professional Conduct
 - b) Roles and Functions
 - c) Duties
 - d) Conduct of Separate Meetings, etc.
- 2.2 You are expected to comply with all other applicable provisions of the Companies Act, 2013 read with Rules made thereunder and SEBI LODR Regulations.

- 2.3 You are expected to attend and participate in all Board Meetings, Committee Meetings, if and as applicable, separate meetings of Independent Directors of the Company and General Meetings of the Company from time to time. You are also expected to devote sufficient time and attention to your responsibilities as an Independent Director under the Act and SEBI LODR Regulations and to comply with all other statutory obligations, for an informed and balanced decision making.
- 2.4 As an Independent Director, you are expected to bring objectivity and independence in the Board's discussions and help in providing 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.
- 2.5 You may kindly ensure not to exceed the maximum permissible number of Directorships that one can hold in all companies, as prescribed under the Companies Act, 2013 and the SEBI LODR Regulations.
- 2.6 You may kindly ensure not to serve as a committee member or committee chairperson of more than the prescribed number of committees, in all the companies where you serve as a Director, as per the provisions of the Companies Act, 2013 and SEBI LODR Regulations.
- 2.7 You are expected to abide by the 'Code of Conduct for Board Members and Senior Management Team' of the Company, as per copy attached at Annexure-IV (and as amended from time to time) and provide an annual declaration of compliance with the same.
- 2.8 You are expected to abide by the 'Code of Conduct to regulate, monitor and report trading by Designated Persons' of the Company, as per copy attached at Annexure-V (and as amended from time to time). Kindly note that Independent Directors and their Immediate Relatives* are prohibited from dealing in the Company's equity shares / securities, when the trading window is closed or when in possession of unpublished price sensitive information (UPSI), pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended. Further, pre-clearance is required to be obtained for any dealing in the Company's equity shares / securities.

*As presently defined: *Immediate Relatives means spouse (whether financially dependent or not), and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities.*

- 2.9 It is accepted and acknowledged that you may have business or personal interests other than those of the Company. Please note that you are required to declare your directorships, appointments and interests in other companies or entities to the Board in writing, in the prescribed form, at the time of your appointment and whenever there is any change in your interest in such companies or entities, or in the event that might give rise to a conflict of interest.

3. Duties of Directors

- 3.1 You may kindly note the 'Duties of Directors' pursuant to Section 166 of the Act, which are enumerated below:
- (i) To act in accordance with the provisions of the Act and the Articles of Association of the Company.
 - (ii) To 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.

- (iii) To exercise his/her duties with due and reasonable care, skill and diligence and to exercise independent judgment.
- (iv) To not involve in a situation in which he/she has a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- (v) To not achieve or attempt to achieve any undue gain or advantage either to himself/herself or to his/her relatives, partners, or associates, and if found guilty of making any undue gain, he/she shall be liable to pay an amount equal to that gain, to the Company.
- (vi) To not assign his/her office, and any assignment so made shall be void.

4. Liability

- 4.1 You shall be liable in accordance with the applicable provisions of the Companies Act, 2013, SEBI LODR Regulations and any other applicable laws.
- 4.2 Kindly note that you shall not enter into any agreement for yourself or on behalf of any other person, with any shareholder or any other third party, with regard to compensation or profit sharing in connection with dealings in the securities of the Company, unless prior approval for the same has been obtained from the Board of Directors as well as public shareholders, by way of an ordinary resolution, as required under the SEBI LODR Regulations.

5. Insurance

- 5.1 You will be entitled to participate in the Company's Directors' and Officers' Liability Insurance (D&O Insurance) scheme for which the premium is paid by the Company and it is intended that the Company will assume and maintain such cover for the full term of your appointment.

6. Remuneration

- 6.1 Your appointment is as non-executive independent director and remuneration shall comprise only of sitting fees for attending each Board and Committee meeting and profit related commission, as may be decided by the Board of Directors from time to time, subject to applicable laws and shareholders' approval as required, including reimbursement of out-of-pocket/reasonable expenses for participation in various meetings of the Company.
- 6.2 This letter does not constitute a contract of employment.

7. Cessation of office

- 7.1 Resignation from the position at any time can be given and should you wish to do so, it is requested to serve a reasonable written notice to the Board. Your appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company.
- 7.2 Continuation of your appointment is contingent on your getting re-elected by the shareholders, in accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company.

8. Maintenance of Confidentiality

8.1 All information, especially unpublished price sensitive information, acquired is sensitive and confidential (except information in writing which is already in public domain), and shall not be disclosed, either during your tenure or thereafter, except as may be mandatorily required to be disclosed under any applicable law. Further, even if any such disclosure is required to be made, it shall be limited to the statutory requirement, and shall be made only in strict compliance thereof, and as far as reasonably practical, the Company shall be informed of the requirement to disclose such information prior to making the disclosure, and if it is not so practicable, then the Company shall be informed of the same promptly thereafter.

8.2 On request by the Company, any documents and other material provided shall be returned back to the Company.

9. Publication

9.1 In line with the provisions of Schedule IV of the Act, the Company will publish the terms & conditions of your appointment as brought out herein, on its website.

It is a pleasure having you on the Board. I am confident, that your association and expertise shall immensely benefit the Company and the Board of Directors.

Kindly sign a copy of this letter as an acknowledgement of your accepting the appointment.

Warm regards,
Yours sincerely,

For and on behalf of DCM Shriram Ltd.

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Date

Encl. as above

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ACCEPTANCE

I agree to the terms and conditions of my appointment as Independent Director of DCM Shriram Limited as set out above.

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