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28<sup>th</sup> February 2019

Dear Sir,

**Sub: Appointment as a Non-Executive Independent Director**

We are pleased to inform you that the Board of Directors of the Company at its meeting held on 12<sup>th</sup> February 2019 has appointed you as an Additional Director in the category of Non-Executive Independent Director of the Company for a term of five years with effect from 12<sup>th</sup> February 2019, subject to the approval of the shareholders at the ensuing Annual General Meeting (AGM).

Pursuant to the requirements of the Companies Act, 2013 (the "Act"), the above is being formalised through this letter of appointment. Please note that this is not a contract of employment.

- 1. Term of Appointment:** Your appointment as an independent director on the Board of Directors of the Company is for a period of five years from 12<sup>th</sup> February 2019 to 11<sup>th</sup> February 2024. Please note that the aforesaid tenure is subject to the approval of shareholders at the ensuing AGM. In addition you also need to continually meet the criteria of independence under the Act.
- 2. Role on the Board:** You are expected to provide your expertise and experience *inter alia* in the field of operations, strategic planning, management, administration, CSR activities and corporate governance in the functioning of the Board.

You will be shortly appointed as a member of the Committees of the Board and in such an event you may be assigned specific responsibilities. The Terms of Reference of various committees of the Board are enclosed for your kind perusal as Annexure - A.

- 3. Duties and liabilities:** The duties and liabilities that come with your appointment would be as per the applicable laws. The rules that currently govern the duties and liabilities of an independent director are the Companies Act, 2013 including the Rules made thereunder and the SEBI Listing Regulations, 2015. You should abide by the guidelines of professional conduct and discharge your role, functions and duties in accordance with the Code for Independent Directors (Schedule IV of the Companies Act, 2013) and the Articles of Association of the Company.



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Code of Conduct for Board Members and Senior Management Personnel: You are requested to ensure compliance with the Company's Code of Conduct for Board Members and Senior Management Personnel and furnish an annual affirmation of the same. A copy of said code is enclosed as Annexure - B.

Confidentiality: You will adhere to the highest standards of confidentiality and shall not disclose to any person or company (whether during the course of the tenure as an independent director or at any time after its cessation), any confidential information concerning the Company or any of the group companies with which you may come into contact by virtue of your position as a director, except as may be permitted under law from time to time or with the prior clearance from the Managing Director of the Company.

Disclosure of interest: You are requested to make disclosure of your interest in other companies as per the requirements of section 184 of Companies Act, 2013 on a continuous basis. Further, you should abstain from taking part in the proceedings of a board meeting of HeidelbergCement India Limited at the time of consideration of any contract or arrangement in which you may be concerned or interested, whether directly or indirectly.

You are expected not to accept appointment as Director of any competing company to avoid a situation of conflict of interest.

4. **Directors and Officers Liability Insurance:** The Company presently has an insurance policy with Bharti AXA General Insurance Co. Ltd. to protect its directors and officers. The said insurance policy takes care of the costs for defending legal proceedings initiated against directors and officers of the Company, subject to the terms and conditions of such policy.
5. **Meetings of Board and Sitting Fees:** You should strive to attend all the meetings of the Board and the Board Committees, of which you are a member. In addition under schedule IV of the Act the independent directors have to hold at least one meeting in a year, without the attendance of non-independent directors and members of management.

You may attend the meetings through video conferencing or other audio visual means as appropriate, save for matters which cannot be dealt with through video conferencing or other audio visual means under the Act and its relevant rules.

You will be entitled to receive sitting fee for attending meetings of the Board and its Committees. You will also be entitled to reimbursement of expenses, if any, incurred by you for participation in the meetings of the Board and its Committees.

6. **Evaluation Processes:** Your performance evaluation shall be done by the Board of Directors annually, without your participation. You will also participate in the process of performance evaluation to review the



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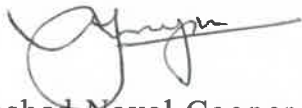
performance of executive directors, non-executive directors and other independent directors and the Board, as a whole.

7. **Independence:** The Board of Directors has given due consideration to your declaration of being qualified as 'independent' in accordance with the provisions of Companies Act, 2013 and the Listing Regulations. You are expected to continue to be qualified as 'independent' during your tenure and provide annual declaration to the effect as required under the said regulations. In the event of any change in circumstances that may affect your independence, the matter should be brought to the notice of the Board.

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

Best Regards,

Yours sincerely,  
For HeidelbergCement India Limited



Jamshed Naval Cooper  
Managing Director

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Encl.: a.a.

**Terms of Reference of Audit Committee**

The Terms of Reference of Audit Committee which are in accordance with the provisions of section 177 of the Companies Act, 2013 and Regulation 18(3) of the SEBI Listing Regulations, are as follows:-

- (a) Recommend to the Board the appointment, re-appointment, fee/remuneration and terms of appointment of the Statutory Auditors and approve payment of fee to the statutory auditors for rendering any other services.
- (b) Discuss with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- (c) Review and monitor auditor's independence and performance, and effectiveness of Audit Process.
- (d) Oversight of Company's financial reporting process.
- (e) Examination of the quarterly and annual financial statements and the auditors' report thereon and disclosure of related party transactions; review of changes in accounting policies and practices and reasons thereof, significant adjustments made in the financial statements arising out of audit findings and major accounting entries involving estimates based on exercise of judgment by management;
- (f) Review of compliance with listing requirements and matters to be included in Director's Responsibility Statement pursuant to Section 134(5) of the Act;
- (g) Approval of related party transactions and modifications thereof;
- (h) Scrutiny of inter-corporate loans and investments;
- (i) Valuation of undertakings or assets of the company, wherever it is necessary;
- (j) To review the functioning of the Whistle Blower/Vigil Mechanism;
- (k) Evaluation of internal financial controls and risk management systems;
- (l) Review of the adequacy of internal control systems, internal audit function and recommend to the Board the appointment of Internal Auditors.

- (m) Discuss with internal auditors on significant findings and follow up thereon.
- (n) Review the findings of any investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- (o) Monitor the end use of funds raised through public/preferential issues and related matters.
- (p) To review the utilization of loans/ advances from the holding company exceeding INR 1,000 million.\*
- (q) Approve the appointment of CFO.
- (r) Look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- (s) To review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015.\*

\* Inserted by the Board of Directors in compliance with the amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, with effect from 01 April 2019.

**Review of information by Audit Committee in terms of Regulation 18(3) of the SEBI Listing Regulations.**

The Audit Committee shall mandatorily review the following information:

- (i) Management discussion and analysis of financial condition and results of operations;
  - (ii) Statement of significant related party transactions;
  - (iii) Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - (iv) Internal audit reports relating to internal control weaknesses; and
  - (v) The appointment, removal and terms of remuneration of the Chief internal auditor.
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### **Terms of Reference of CSR Committee**

The Terms of Reference of the CSR Committee which are in accordance with the provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder, are as follows:-

- (a) To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
  - (b) To recommend to the Board the amount of expenditure to be incurred on CSR activities.
  - (c) To institute a transparent monitoring mechanism for implementation of CSR projects or activities.
  - (d) To monitor the CSR activities being undertaken by the Company.
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## **Terms of Reference of Risk Management Committee**

The Terms of Reference of Risk Management Committee which are in accordance with the provisions of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, are as follows:-

- (a) To periodically review and evaluate the Risk Management Policy and practices for risk assessment and mitigation.
  - (b) To oversee implementation of the Risk Management Policy.
  - (c) To monitor and review the risk management plan including cyber security aspects.
  - (d) To perform such other functions as may be necessary from time to time.
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## **Terms of Reference of Stakeholders' Relationship Committee**

The Terms of Reference of Stakeholders' Relationship Committee which are in accordance with the provisions of Section 178 of the Companies Act, 2013, are as follows:-

- (a) To resolve the grievances of the security holders including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.
  - (b) To review the measures taken for effective exercise of voting rights by shareholders.
  - (c) To review the adherence to the service standards laid down by the Company w.r.t. various services rendered to the investors by the Registrar & Share Transfer Agent.
  - (d) To review the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
  - (e) To approve transfer / transmission of securities with power to delegate such authority to an executive of the Company.
  - (f) To approve requests for re-materialization of securities, issue of split, consolidated and duplicate share certificates.
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## **Terms of Reference of Nomination and Remuneration Committee**

The Terms of Reference of Nomination and Remuneration Committee, which are in accordance with the provisions of Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations, are as follows:-

- (a) To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees.
- (b) To formulate criteria for evaluation of performance of independent directors and the board of directors.
- (c) To specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- (d) To devise a policy on diversity of board of directors.
- (e) To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- (f) To recommend to the Board, whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- (g) To recommend to the Board, all remuneration, in whatever form, payable to senior management personnel.\*

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\* Inserted by the Board of Directors in compliance with the amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, with effect from 01 April 2019.

**HeidelbergCement India Limited**

**CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL (THE "CODE")**

**I. INTRODUCTION**

HeidelbergCement India Limited (the "Company") is committed to being an ethical and responsible member of the business communities in which it operates. The Company always endeavors to ensure that highest standards of honesty, integrity and ethics are maintained. While the Company has instituted a general Code of Conduct applicable to all employees, this Code provides fundamental and broad general standards for the Company, particularly for its Directors and Senior Management.

- a. The Company shall operate within all applicable laws and regulations of the land. The Board and the Directors shall act in accordance with powers granted to them by the Articles of Association. The duty of the Directors is to act bona-fide in the Company's interest, to the best of their ability to use the powers and information available to them for proper purposes and not for any collateral purpose. The Directors take care that the Company's senior executives exercise due care and diligence, and shall have regard to interests of all stakeholders and essentially for the benefit of all its shareholders.
- b. The Board shall meet regularly, maintain effective control over the Company and monitor the executive management. The Board's prime attention shall be on strategic issues and their approval, policy and control, delegation of powers, specifying issues that remain in the Board's domain and in defining the role of the management.
- c. The Directors and senior management shall conduct business and develop its relationships in a dignified, honest and responsible manner. The Management intends that it shall be progressive, competent and trustworthy, creating and enhancing value for stakeholders of the Company. Integrity, transparency and accountability should be highlights of all operations of the Company.
- d. This Code is essentially a set of values and principles expected to be maintained and to serve as a guideline to corporate and individual behavior in conduct of business and discharge of duties of all concerned. The underlying values reflected in the various codes followed by the Company are accountability, compliance, credibility, fairness, honesty, and mutual respect. It must be recognized that corporate integrity is dependent on individual integrity. As in any area of ethics, individual discretion and thought about the implicit value system is needed.

## II. APPLICABILITY

- a) All Directors and members of the Senior Management (collectively called "Seniors") are expected to abide by these guidelines. They are also expected to lead other employees by example.

Explanation: For this purpose, the term "Senior Management" shall mean personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management one level below the executive directors, including all functional heads.

- b) The Board of Directors of the Company shall be the final authority as far as any interpretation of the Code or its applicability/violation and consequential actions are concerned.
- c) The Code may be expanded and/or improved upon and/or altered and/or varied from time to time.

## III. COMPLIANCE:

### 1) Positive Work Environment

- a) All Seniors are expected to uphold a culture emphasizing honesty, integrity, fairness, trust, competence, professionalism, discipline, teamwork, as well as truthfulness and high moral standards in day-to-day dealings and conduct, both within and outside the Company.
- b) All are expected to treat each other and their juniors with respect for individual dignity and rights, not to discriminate on grounds of race, ethnicity, caste, marital status or gender, sexual orientation, and maintain a work environment free of sexual harassment.
- c) All are expected to provide an open, motivating work environment which is conducive to upholding and achieving the Company's vision, targets and goals.
- d) Entry into and progression within the Company shall be determined on merit and needs of the business and Seniors shall support the principles of proper, fair and transparent evaluation processes and professional growth in line with individual capabilities.
- e) Any appointment or extension, dismissal, increment or promotion/demotion (including the making of any promise towards appointment, extension, increment or promotion/demotion) requires that proper procedures be followed.
- f) Promotions and/or increments shall not be automatic or time bound but performance and merit based.

- g) Pride of place shall be given to the best of social, cultural and intellectual values, in behavior and conduct.

## 2) Confidentiality

- a) All Seniors shall respect the sanctity of confidential and other business information they may receive or acquire in the course of their professional activities whether from internal or external sources. Such information shall not be conveyed to anyone, inside or outside the Company, who is not authorized to receive it. Where disclosed a similar obligation for confidentiality may be required by the Company. Disclosure of business, technical, commercial, proprietary or other information in the public domain shall be made only by specifically authorized persons and for authorized purposes.
- b) No Senior shall reveal to any third party any confidential data including but not limited to business strategies, marketing plans, sales or contract information, customer lists and information, proprietary, pricing or costing information or any other data unless the performance of the job inherently requires the sharing of such information. Confidential information may not be used or disclosed even after a person ceases to be a Senior or an employee of the Company.
- c) Non-public information obtained by any Senior may not be used either for personal gain or by any third party as a result of association with the Senior. Use for personal gain includes taking advantage of such information by trading (or providing others for them to trade) in Company's shares or in shares of other companies with which the Company has any price-sensitive contact, including but not limited to acquisition, evaluation, negotiation or acquiring property or assets of any kind.

## 3) Conflict of Interest

- a) All Seniors shall avoid situations in which any conflict may arise between their private interests and those of the Company. Such conflicts could involve, but are not limited to, customers, suppliers, contractors, competitors and present or prospective employees. The specific provisions in the general code of conduct regarding the acceptance or provision of, or soliciting of, consideration, gratuities, entertainment and gifts shall apply.
- b) Seniors shall make disclosures to the Board relating to all material financial and commercial transactions, where they have personal interest, that may have a potential conflict with the interest of the company at large.

- c) Seniors must not make improper use of the resources of the Company or that of any of its suppliers or customers, nor permit others in the Company to do so. All concerned shall be personally accountable for proper expenditure of Company's funds and also responsible for proper use of the Company's assets over which they exercise control. It is expressly forbidden to (either directly or indirectly) grant any official favour for personal collateral interests or to spend money of the Company for personal benefit or purpose.

#### 4) Legal Compliances

- a) All Seniors are required to comply with all laws and regulations applying in the jurisdictions in which they operate.
- b) All Seniors shall abide with "Code of Conduct to Regulate, Monitor and Report Trading by Insiders".
- c) The Managing Director, Wholetime Director, Chief Financial Officer and Company Secretary have additional responsibilities in the preparation and release of financial and other information into the public domain. In addition to ethical requirements of this Code they shall have a special responsibility for ensuring :
  - i) Full, fair, accurate, timely and understandable disclosure in reports and documents that the Company may file with or submit to various Stock Exchanges, Securities and Exchange Board of India, and other public communications made by the Company;
  - ii) Maintenance of proper accounting and other records and details in accordance with all laws and regulations.

#### 5) Duties of Directors

Duties of Directors in terms of Section 166 of the Companies Act, 2013 shall be as under:

- a) Subject to the provisions of Companies Act, 2013 a director of the Company shall act in accordance with the Articles of the Company.
- b) A director of the Company 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) A director of the Company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.

- d) A director of the Company shall not be involved in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- e) A director of the Company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the Company.
- f) A director of the Company shall not assign his office and any assignment so made shall be void.

#### 5.1) Duties of Independent Directors

Duties of Independent Directors in terms of Schedule IV of the Companies Act, 2013 shall be as under:

- a) Undertake appropriate induction and regularly update and refresh their 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 he is a member;
- d) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- e) strive to attend the general meetings of the company;
- f) 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;
- g) keep themselves 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 themselves 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 behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- l) acting within his 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.
- n) adhere to the guidelines of professional conduct and perform role and functions provided under Sections I & II of Schedule IV of the Companies Act, 2013.

6) Social Responsibility

- a) All concerned shall maintain respect for the environment generally, and the Company shall conform to all environmental laws.
- b) All concerned shall endeavor to ensure total industrial safety.
- c) All concerned shall use their best efforts to preserve a healthy work environment in all the Company's offices and plants.
- d) The Company shall make efforts to extend support to employee and community welfare, health and education. It is committed to being a good corporate citizen.

7) General

- a) Where a conflict, potential conflict or apparent conflict with the Code exists, that matter should be reported to the Compliance Officer who will initiate steps as may be necessary for appropriate resolution of the matter.
- b) In compliance with applicable provisions of the Companies Act, 2013 and the Listing Regulations the directors shall furnish disclosures in prescribed format with respect to change(s) in their directorships as well as changes in membership of committees of the Board of other entities.
- c) This Code shall also be available on the website of the Company.