



**Zuari Cement**  
Italcementi Group

Zuari Cement Limited  
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April 14<sup>th</sup>, 2015

To,

Ms Akila Krishnakumar  
S-67 Golden Enclave,  
Airport Road  
Bangalore 560 017  
India

**Subject: Invitation to Join Zuari Cement Ltd. and Gulbarga Cement Ltd. Board of Directors as a Non-Executive Independent Director.**

Dear Akila,

I have the great pleasure to invite you to become a member of the Board of Zuari Cement Ltd. and Gulbarga Cement Ltd. (the "Companies") as a Non-Executive Independent Director. It is indeed our privilege to have you on the Board of both Companies. With your expertise, we believe that our Companies will be able to achieve greater success in the coming years.

This appointment will be subject to formal approval in the forthcoming Board and Shareholders meeting.

This letter sets out the terms of your appointment as Independent Director. Your relationship with the Companies shall be as office-holder and not as an employee, such letter not to constitute a contract of employment.

#### **Appointment**

Your Directorship in the Board will be in accordance with and subject to the Company's Memorandum and Articles of Association and applicable Company Law provisions.

#### **Companies within the scope of Directorship**

**Zuari Cement Ltd**, a company incorporated under the Companies Act, 1956, engaged in the manufacturing and sale of all types of cement. During the year 2001, a 50% stake was taken over by Italcementi Group and in the year 2006 the balance 50% stake was taken over making it a wholly owned subsidiary. The Company owns more than 6 million capacity and caters mainly to the requirement of the southern market.

**Gulbarga Cement Ltd**, a company incorporated under the Companies Act, 1956, was taken over by Italcementi Group to an extent of 74% in the year 2011 and balance stake of 26% was taken over during the first quarter, 2015. Acquired lately 1821 acres of land in Gulbarga for its future expansion. Various approvals were granted by the local Authorities for the construction of the cement plant. Major activities are planned in the coming years.



## Time commitment

We anticipate that your appointment will require a time commitment of 1 to 3 days per quarter. This will include attendance at scheduled quarterly Board meetings and to contribute to the Companies' strategic mission. Board meetings will alternate between Bangalore and Paris. In addition to the quarterly Board meetings aimed at discussing and approving the annual and the interim accounts, some extraordinary Board meeting may take place during the year. The notice of call will be served within the timeframe provided by the applicable law and the Companies' Articles of Associations.

As an independent Director, you may be also be appointed as a member of the Board Committees. Each Committee meets normally on the same day of Board meetings. The Board reserves the right to change your membership of a Committee at any time.

The CEO or the management team of Zuari Cement may also contact you from time-to-time for guidance and advice on particular business issues.

The tentative schedule for the next board meetings in 2015 are as follows:

1. June 9th in Bangalore
2. July 21<sup>st</sup> in Bangalore
3. October 29<sup>th</sup> in Paris

## Role

We thought we would highlight in these pages the expectations of your role as well as the Board. The Board as a whole, as you know, is collectively responsible for promoting success by directing and supervising the Company's affairs.

The Board:

- sets Company strategic aims, ensures that the necessary financial and human resources are in place for Company to meet its objectives, and reviews management performance
- provides leadership of Company within a framework of prudent and effective controls which enable risk to be assessed and managed; and
- maintains Company values and standards as outlined in the Code of Business Conduct and Ethics and ensures that its obligations to its shareholders and others are understood and met.

As a Director, you will be therefore required to fulfill your fiduciary duties in the best interest of the Companies, with due and reasonable care, skill and diligence.

In addition, as an Independent Director, you are expected to bring 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, risk management and ensuring the highest standards of financial probity and corporate governance. In particular, the role of the Non-Executive Director has the following key elements:

- **Strategy:** constructively challenge and help develop proposals on strategy;
- **Performance:** scrutinize the performance of management in meeting agreed goals and objectives;
- **Risk:** satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;

- **People:** determine appropriate levels of remuneration of Executive Directors and have a prime role in appointing and where necessary removing Executive Directors and in succession planning;
- **Reporting:** take responsibility for the processes for accurately reporting on performance and the financial position of the Company; and
- **Compliance:** keep governance and compliance with the legislation and regulations under review and the conformity of Company practices to accepted norms.

## **Fees**

The total compensation per annum will be within the amount Rs. 15 lakhs for both the companies together. The compensation is paid through sitting fees not exceeding Rs. 1 lakh for each Board / Committee meeting attended. For reference, both companies are holding on yearly basis the following meetings. The number of Board and Committee meetings may vary according to the requirements.

### **Zuari Cement Ltd.**

- 4 Board of directors meetings
- 2 Audit Committee meetings
- 2 Corporate Social Responsibilities Committee meetings
- 1 Nomination and Remuneration Committee meeting

### **Gulbarga Cement Ltd.**

- 4 Board of directors meetings
- 1 Audit Committee meeting
- 1 Nomination and Remuneration Committee meeting

The Company will reimburse you for all reasonable and documented expenses in connection with your travel for attending Board and Committee meetings.

## **Induction**

At your appointment, you will be proposed to attend an initial induction session which would include briefings from management on the current operations of the Companies and potential site visits. We will try and accommodate the induction session as best as we can, based on your availability.

## **Disclosure of interests**

It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to your appointment commencing, 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.

During your term as Independent Director of the Companies, you agree to promptly notify them of any change in your directorships, and provide such other disclosures and information as may be required under the applicable laws.

You also agree that upon becoming aware of any potential conflict of interest with your position as Independent Director of the Companies, you shall promptly disclose the same to the Chairman and the Company Secretary. In the circumstances of your interest in other Bodies Corporate or concerns give rise to a conflict of interest the Board reserves its right of judgment to determine your independence.

### **Confidentiality**

All information acquired during your appointment is confidential to the Company and should not be released, either during your appointment or following your leaving the board (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, you shall surrender any documents and other materials made available to you by the Company.

Your attention is also drawn to the requirements under both legislation and regulation as to the disclosure of price sensitive information and to any dealing in the securities of the Company. Consequently you should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Chairman or Company Secretary.

### **Review process**

The performance of individual Directors and the whole Board and its Committees would be evaluated annually.

### **Insurance**

The Company will provide Directors and Officers liability insurance and the Company will maintain such coverage during your appointment.

### **Termination**

- a) 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.
- b) Continuation of your appointment is in accordance with provisions of Companies Act, 2013, Rules made there under and the Articles of Association of the Company, from time to time in force.
- c) Your appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company and the provisions of the Companies Act, 2013 and rules made there under as amended.

### **Law**

Your engagement with the Company is governed by and shall be construed in accordance with the laws of India and your engagement shall be subject to the jurisdiction of the courts of Bangalore in India.

If you are willing to accept these terms relating to our invitation as a Non-Executive Director of Zuari Cement, please confirm your acceptance by signing and returning to me the enclosed copy of this letter.

It will be a pleasure to welcome you to join the Board, and I am personally looking forward to working with you. Please feel free to contact me if you have any queries in relation to the above.

Yours sincerely,



**Nabil Francis** CEO  
Zuari Cement Ltd.

I accept the terms of your invitation to join as a Non-Executive Director of Zuari Cement Ltd. as set out above.

Signed \_\_\_\_\_

Dated \_\_\_\_\_

Printed Name: