

DHANADA CORPORATION LTD.

Regd./ Corporate Office: Dhanada, 16/6, Erandawana Housing Society, Plot No. 8, Patwardhan Baug, Pune 411004.
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DHANADA

CIN – L55101PN1986PLC133909

To
Mr. Shreeniwas G. Kale
(DIN 00150957)

Sub.: Letter of Appointment as an Independent Director

Dear Sir,

I am pleased to inform you that the Board of Directors of Dhanada Corporation Limited (hereinafter referred to as "Dhanada" or "the Company") has approved your appointment as an Independent Director of the Company. This letter sets out the terms and conditions covering your appointment:

1. Appointment

In accordance with the provisions of the Companies Act, 2013, Listing Agreement and other applicable laws, you will serve as Non – Executive Independent Director on the Board for a term of 5 (Five) consecutive years. Your appointment is subject to the approval of shareholders at the Annual General Meeting of the Company scheduled to be held on 30.09.2014.

In compliance with provisions of section 149(13) of the Companies Act, 2013, your directorship is not subject to retirement by rotation.

Notwithstanding other provisions of this Letter, the appointment may be terminated on failure to meet the parameters of independence as defined in section 149(6) or on the occurrence of any event as defined in section 167 of the Companies Act, 2013.

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. Committees

The Board of Directors (the Board) may, if it deems fit, invite you for being appointed on one or more existing Board Committees. Your appointment on such Committee(s) will be subject to the applicable regulations.

3. Time Commitment

As a Non – Executive Independent Director, you are expected to bring objectivity and independence of view to the Board's discussions and 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 meets at least 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 which are ordinarily convened as per requirement. You will be expected to attend Board, Board Committees to which you may be appointed and Shareholders meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively. Ordinarily, all meetings are held in Pune.

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.

4. Professional Conduct

As an independent director, you shall:

- uphold ethical standards of integrity and probity;
- act objectively and constructively while exercising your duties;
- exercise your responsibilities in a bona fide manner in the interest of the Company;
- devote sufficient time and attention to your professional obligations for informed and balanced decision making;
- not allow any extraneous considerations that will vitiate your 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;
- 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;
- refrain from any action that would lead to loss of your independence;
- where circumstances arise which make you lose your independence, you must immediately inform the Board accordingly;
- assist the Company in implementing the best corporate governance practices.

5. Role and functions

As an independent director, you shall:

- 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;
- bring an objective view in the evaluation of the performance of board and management;
- scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- satisfy yourself on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- safeguard the interests of all stakeholders, particularly the minority shareholders;
- balance the conflicting interest of the stakeholders;
- 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;

- moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

6. Duties:

As an independent director, you shall:

- undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the Company;
- 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;
- strive to attend all meetings of the Board of Directors and of the Board committees of which you are a member;
- participate constructively and actively in the committees of the Board in which you are chairman or members;
- strive to attend the general meetings of the Company;
- where you 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 they are recorded in the minutes of the Board meeting;
- keep yourself well informed about the Company and the external environment in which it operates;
- not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure yourself that the same are in the interest of the Company;
- 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;
- report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- acting within your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- 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.

7. 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 meetings of the Board and its Committees and remuneration by way of commission as may be decided by the Nomination and Remuneration Committee, Board and approved by the Shareholders from time to time.

You 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.

8. Reimbursement of Expenses

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

9. Conflict of Interest

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. 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 both the Chairman and the Secretary.

10. Confidentiality

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

Your attention is also drawn to the requirements under the applicable regulations and the Company's Insider Trading Code which concern the disclosure of price sensitive information and 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 the Secretary.

11. Induction

Immediately after your appointment, you will be invited to attend an initial induction session and, thereafter, ongoing training and familiarization sessions, including briefings from management and site visits. Please avail yourself of these opportunities as fully as is appropriate to your personal circumstances.

12. Evaluation

The Board of Directors will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis as per Company's Policy. Your appointment and re-appointment on the Board shall be subject to the outcome of the yearly evaluation process.

13. Disclosure of Interest

The Company must include in its Annual Accounts a note of any material interest that a Director may have in any transaction or arrangement that the Company has entered into. Such interest 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 our records are updated. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.

14. 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 contingent on your getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013 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.
- c. Your appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

15. Code of Conduct

During the appointment, you are required to comply with regulations as contained in Schedule IV under Companies Act, 2013, including the following Codes of Conduct of the Company:

- Code of Conduct for Board of Directors and Senior Management,
- Code of Conduct for prevention of Insider Trading in securities of the Company, and
- Code of Corporate Disclosure Practices for prevention of Insider Trading, and
- such other requirements as the Board of Directors may from time to time specify.

16. Publication of the letter of appointment

In line with provision of Clause IV sub clause 6 of Schedule IV under Companies Act, 2013 and the Listing Agreement, the Company will make public the terms and conditions of your appointment, letter of appointment, your profile and will also arrange for it to be displayed on the Company's website.

17. Governing Law

This agreement is governed by and will be interpreted in accordance with Indian law and your engagement shall be subject to the jurisdiction of the Indian courts.

If you are willing to accept these terms of appointment relating to your appointment as a Non – Executive Independent Director of the Company, kindly confirm your acceptance of these terms by signing and returning to us the copy of this letter.

Yours sincerely,
For & on behalf of
DHANADA CORPORATION LTD.




Ramesh R. Havele
Chairman & Managing Director
(DIN 00007580)



Acceptance

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

Signature	
Name	Shreeniwas G. Kale
DIN	00150957
Date	30.09.2014