



TERA SOFTWARE LIMITED

8-2-293/82/A/1107, Plot No.1107, Road No.55,
Jubilee Hills, Hyderabad - 500 033, TELANGANA, INDIA.

Date:08.08.2014

Dear Madam,

On behalf of all the Board member of Tera Soft Limited, I would like to express my gratitude to you for acceptance of Directorship as an independent director in our Company.

The purpose of this letter is to inform you about the new provisions related to the Independent Director (ID) introduced under the new Company Law i.e. Companies Act, 2013. The Act, 2013 Schedule – IV has specifically defined the roles, duties, liabilities and the manner of appointment of IDs on the Board and various Committees of the Company. The newly enacted Companies Act, 2013, and the recent amendments by SEBI to the Listing Agreement require that a Company should issue appointment letter to its independent Directors and the same shall be accepted.

Kindly return the duplicate copy of this letter, duly signed by you in confirmation.

We welcome you on the Board of Tera Software Limited and look forward to your continued support and guidance.

Thanking you,

Yours sincerely,

For TERA SOFTWARE LIMITED,

(T.Gopichand)

Din: 00107886

VICE CHAIRMAN & MANAGING DIRECTOR

Encl: AS above



An ISO 9001 : 2008 Certified Company

CIN-L72200TG1994PLC018391

Tel : +91-40-2354 7447 / 8, Fax : +91-40-2354 7449, E-mail : info@terasoftware.com Web : www.terasoftware.com

Terms of Appointment of Independent Director

On behalf of the Company I write to confirm your appointment as an independent Non-Executive director of the Tera Software Limited ("TERA SOFTWARE" or "Company") as per the provisions of the Companies Act, 2013 with effect from 07th August, 2014. I set out below the terms of your appointment.

1. TERM OF OFFICE

Your appointment is subject to confirmation by the Shareholders in the general meeting and receipt of your consent to the act as an Independent Director of Tera Software Limited under the new Companies Act, 2013 following which, it is anticipated that the appointment will be for an initial period of Five(5) years from 30th September,2014. You shall not be liable to retire by rotation as per the relevant provisions of the Companies Act, 2013 and Listing agreement.

Your appointment is subject to the provisions of Companies Act, 2013 regarding appointment, fees, expenses, retirement, disqualification and removal of directors. You may cease to hold office as a Director.

At any time that you resign by written notice. It is desirable that you give the Chairman reasonable forewarning of your intention to resign or to not seek re-appointment where that is possible so that Tera Software Limited can plan for succession of skills and experience on the Board,, and you may be requested to vacate office for any reason pursuant to any of the provisions of the Companies Act, 2013; or

You may be removed as a director or otherwise required to vacate office under any applicable law and under the Article of Association of the Company.

Your performance as an Independent Director will be reviewed during your tenure with the Company in accordance with processes agreed by the Board from time to time. You agree to participate in such reviews.

2. COMMITMENTS

A) Independent Director

You will be expected to devote such time as is necessary for the proper performance of your duties and as an independent Director you will be involved in a number of board and committee meetings each year. You should strive to attend all the scheduled quarterly board meetings. General Meetings, Committees, Board Meetings and other meetings or attendance as necessary.

As an independent director you should strive to hold and present in at least one meeting in a year without the presence of non-independent directors and members of management with the sole objective of:

- (a) Review the performance of non-independent directors and the Board as a whole;
- (b) Review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors.

- (c) Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

By accepting this appointment, you have confirmed that you are able to allocate sufficient time to meet the expectations of your role.

B) The Company

- The Company shall provide you with adequate notice of the dates of proposed board meetings, general meetings, of board committees.
- The company will train its Board members in the business model of the company as well as the risk profile of the business parameters of the company and their responsibilities as directors.
- Company shall establish an effective whistle blower mechanism so that the directors can raise their concerns.
- The company shall ensure that the independent directors are aware of their statutory obligations.

3. LIABILITY

As an independent director you will be liable only in respect of such acts of omission or commission by a company which had occurred with your knowledge, attributable through board processes, and with your consent or connivance or where you had not acted diligently.

4. CONFLICT OF INTEREST

As an Independent Director you shall not engage in any activity/ies that is not expected from you as an Independent Director.

5. DISCLOSURE

You shall be required to submit certain information in the prescribed forms on a defined periodicity. Company Secretary shall be the coordinating officer for this.

During your tenure as an independent director you are required to give a declaration that you meets the criteria of independent every financial year as provided under Section 149 of the Companies Act, 2013.

6. DIRECTORS' FEES

You shall be paid a sitting fee as decided by the Board time to time for attending the each meeting of Board as well as Committee meetings attended by you, as per the provision of Section 197 of the Companies Act, 2013 and the Articles of Association of the Company.

As an independent director you shall not be entitled to any stock option and shall not be covered by any pension scheme.

7. CODE FOR INDEPENDENT DIRECTORS, CODE OF CONDUCT FOR DIRECTORS AND CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING FOR EMPLOYEES, INCLUDING DIRECTORS.

You are required to abide by the Code for Independent Directors as specified under Schedule – IV of the Companies Act, 2013, Code of Conduct for Directors and Code of Conduct for Prevention of Insider Trading for Employees, including Directors as approved by the Board and adopted by the Company.

The above documents are enclosed as Annexure –I, II & III for your reference.

8. INDUCTION & TRAINING

Where possible, directors will be encouraged to attend special training courses by various professional bodies to ensure that the directors are refreshed and equipped to perform their role in the highest standards and performance possible. You should feel free to request any further information which you require, at any time.

9. INDEMNITY AND INSURANCE/ PROVISION FOR DIRECTORS AND OFFICERS (D AND O) INSURANCE

The Company may obtain a Directors' & Officers' liability Insurance Policy for you. Details of the same will be provided by the Company Secretary as and when policy is taken by the Company.

10. APPLICABLE LAW

This letter of appointment shall be governed by the laws of India.

Kindly confirm your agreement to the terms set out above by signing the endorsement on the enclosed copy of this. Please return the copy to me at the above address. In returning this letter duly signed, you agree that the Company may make this letter publicly available.

Yours sincerely,

For TERA SOFTWARE LIMITED,



(T. Gopichand)

Din: 00107886

VICE CHAIRMAN & MANAGING DIRECTOR

I have read and agreed to the above terms regarding my appointment as an Independent Non-Executive Director.

Signature :



Name : Dr.T.V.Lakshmi

DIN : 00003020

Date : 08/08/2014

Place : Hyderabad