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Dear Sir/Madam,

Sub: Your appointment as an Independent Director of the Company

At the Annual General Meeting of the Company held on, the shareholders approved your appointment as an Independent Director of the Company effective from, to hold the office for a period of years. We hearty welcome you as Independent Director of the Board.

This letter of appointment sets out the terms and conditions covering your appointment which are as follows

1. Period of Appointment:

1.1 Subject to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013, and the rules made thereunder including any statutory amendments or enactment thereof for the time being in force, read with Schedule IV to the Companies Act, 2013, the appointment shall be for a term of 5 years effective from the above referred date.

1.2 Notwithstanding any other provisions of this letter, this Appointment may be terminated at any time by the Company in accordance with the provisions of Companies Act, 2013, or the Articles of Association of the Company. The Director may also resign by a written notice. But, in case of such a resignation it is desirable that the Director gives the Chairman reasonable forewarning of his/her intention to resign or not to seek re-election (where that is possible), so that the Company can plan for succession of skills and experience on the Board. Upon such termination or resignation for any reason, the Director shall not be entitled to any damages for loss of office and no fee will be payable to the Director in respect of any unexpired portion of the term of the Appointment.

2. The expectations of the Board from the appointed Director: The Board expects from the appointed Independent Director that he/she shall:

- a. Comply with the provisions of the Companies Act, 2013, and the rules made thereunder, including any statutory modification or amendment thereof and provisions of the Listing

Agreement executed by the Company with Stock Exchanges, as may be applicable to him/her as an Independent Director.

- b. Understand and carry out diligently, his/her roles & functions and duties as provided under Schedule IV to the Companies Act, 2013.
- c. Adhere to the Code of Conduct of the Company as laid down by the Board and confirm adherence to the same on an annual basis.
- d. Shall avoid conflict of interest with the overall interests of the Company.
- e. Shall apply the highest standards of confidentiality and not disclose to any person or entity (whether during the course of the Appointment or at any time after its termination) any confidential information concerning the Company and any group Companies which he may come to know by virtue of his position as an Independent Director of the Company.
- f. Shall act diligently and in good faith in the interests of the Company.

3. Appointment in Board Level Committees and the concerned tasks: During the tenure as an Independent Director, he/she may be requested to serve on one or more Committees of the Board. The Director is expected to carry out his duties / tasks as a member/chairman of such Committee(s) of the Board as per the terms of reference of such committee(s).

4. Fiduciary duties that come with this appointment along with accompanying liabilities are as follows:

- a. Being in a statutory position and being appointed pursuant to the requirements of law, this appointment entails fiduciary duties of the Director as a trustee of the interests of the Company.
- b. A Director of a 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, community and for the protection of environment.
- c. A Director of a Company shall exercise his/her duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- d. The Director shall disclose interest in any of the contracts or arrangements and also disclose the interest on periodical basis as required under law.
- e. The Director shall not misuse the assets, property, information or any other matter that he/she may have access to, in the capacity as a Director of the Company. The Director shall not engage in Insider Trading Activities.
- f. The above list is only indicative and not exhaustive.
- g. Any breach of fiduciary duties may warrant civil and/or criminal action by the Company, its shareholders, statutory authorities and others. The Companies Act, 2013, envisages stringent penalties and criminal consequents for such breaches. The Director may also be exposed to Class Action Suits by Shareholders.

5. The Code of Conduct that the Company expects its directors and employees to follow: The Company has formulated a detailed Code of Conduct for the Board of Directors and Senior Employees of the Company. The Code of Conduct is also displayed in the Company's website. The Director shall affirm compliance with the said Code on an annual basis.

6. The list of actions that an Independent Director should not do while functioning as such in the Company:

The Director shall not:

- a. Misuse the information in his/her possession.
- b. Engage in any way (directly or indirectly) in any activity having conflict of interest with that of the Company.

- c. Break any law of the land or induce or coerce the Co-Directors or employees to do the same.
- d. Enter into any contract or arrangement wherein he is directly or indirectly interested as per the provisions of the Act.
- e. A Director of a 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 a Director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the Company, apart from being liable for any other consequences.
- f. A Director of a Company shall not assign his office and any assignment so made shall be void.

6.1 The above list is only indicative and not exhaustive.

6.2 You shall also abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Companies Act, 2013, and duties of Directors as provided in the said Act and in Clause 49 of the Listing Agreement. For your ready reference, the relevant provisions are attached here is as **ANNEXURE - A**

6.3 At the first meeting of the Board in every Financial Year, or whenever there is any change in the circumstances which may affect your status as an Independent Director, you shall give a declaration to that effect confirming that you meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013, and Listing Agreement, in the format as per **ANNEXURE - B** to this Letter.

7. Payment of periodic fees, reimbursement of expenses for participation in meetings of the Board and other meetings and profit related commission, if any: The Independent Director shall be paid Sitting Fees as may be determined by the Board for participating in the Board, Committee or other meetings. Out of pocket expenses reasonably incurred by the Director for attending such Meetings or any other work of the Company shall be reimbursed.

8. Confidentiality: Attention of the Independent Director is drawn to the requirements under the applicable laws concerning the disclosure of price-sensitive information. Consequently, he/she should avoid making any statements that might risk a breach of these requirements without prior clearance from the other Members of the Board. On termination of the Appointment, the Director shall deliver to the Company all books, documents, papers and other property of or relating to the business of the Company which are in his/her possession, custody or power by virtue of his/her position as an Independent Director of the Company. The Company may arrange, at its discretion, disposal of papers that the Director no longer requires.

9. Miscellaneous:

9.1 Independent Directors shall give annual declaration as required under the provision of section 149(7) of the Companies Act, 2013 and the rules made there under.

9.2 An Independent Director shall not serve as an independent director in more than seven listed companies or such number of listed Companies as may be stipulated by the Listing Agreement or any other law of the land, for the time being in force.

9.3 Further, an Independent Director who is serving as a whole time director in any listed company shall not serve as an independent director in more than three listed companies or such number of listed Companies as may be stipulated by the Listing Agreement or any other law of the land, for the time being in force.

Yours faithfully,

For STEELCAST LIMITED

(Chetan M Tamboli)
CHAIRMAN

Encl: ANNEXURES- A & B referred to above

AGREE AND ACCEPT:

I have read and understood the terms of my appointment as an Independent Director of the Company and I hereby affirm my acceptance to the same.

Signature:

Name:

Place:

Date:

ANNEXURE - A

SCHEDULE IV TO THE COMPANIES ACT, 2013

[See section 149(8)]

CODE FOR INDEPENDENT DIRECTORS

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfillment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

I. Guidelines of professional conduct:

An Independent Director shall:

- (1) uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising his duties;
- (3) exercise his responsibilities in a bona fide manner in the interest of the company;
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will vitiate his 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;
- (6) not abuse his 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;
- (7) refrain from any action that would lead to loss of his independence;
- (8) where circumstances arise which make an Independent Director lose his independence, the Independent Director must immediately inform the Board accordingly;
- (9) assist the company in implementing the best corporate governance practices

II. Role and functions:

The Independent Directors shall:

- (1) 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;
- (2) bring an objective view in the evaluation of the performance of board and management;
- (3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves on the integrity of financial information and that financial control and the systems of risk management are robust and defensible;
- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) balance the conflicting interest of the stakeholders;
- (7) 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;
- (8) moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholders' interest.

III. Duties :

The Independent Directors shall:

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- (2) 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;
- (3) strive to attend all meetings of the Board of Directors and of the Board Committees of which he is a member;
- (4) participate constructively and actively in the Committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the Company;
- (6) 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;
- (7) keep themselves well informed about the Company and the external environment in which it operates;
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
- (9) 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;
- (10) 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;
- (11) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- (12) acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- (13) 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.

IV. Manner of appointment:

- (1) Appointment process of Independent Directors shall be independent of the Company management; while selecting Independent Directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- (2) The appointment of Independent Directors of the company shall be approved at a meeting of the shareholders.
- (3) The explanatory statement attached to the notice of the meeting for approving the appointment of an Independent Director shall include a statement that in the opinion of the Board, the Independent Director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
- (4) The appointment of Independent Directors shall be formalised through a letter of appointment, which shall set out:
 - a) the term of appointment;

- b) the expectation of the Board from the appointed director; the Board level committee(s) in which the director is expected to serve and its tasks;
 - c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - d) the Code of Business Ethics that the company expects its directors and employees to follow;
 - e) the list of actions that a director should not do while functioning as such in the company; and
 - f) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- (5) The terms and conditions of appointment of Independent Directors shall be open for inspection at the registered office of the Company by any member during normal business hours.
- (6) The terms and conditions of appointment of Independent Directors shall also be posted on the Company's website.

V. Re-appointment: The re-appointment of an Independent Director shall be on the basis of a report of performance evaluation.

VI. Resignation or removal:

- (1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- (2) An Independent Director who resigns or is removed from the Board of the Company shall be replaced by a new Independent Director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
- (3) Where the Company fulfils the requirement of Independent Directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new Independent Director shall not apply.

VII. Separate meetings:

- (1) The independent directors of the Company shall hold at least one meeting in a year, without the attendance of Non-Independent Directors and members of management;
- (2) All the independent directors of the Company shall strive to be present at such meeting;
- (3) The meeting shall:
 - 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.

VIII. Evaluation mechanism:

- (1) The performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.
- (2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director.

DUTIES OF DIRECTORS AS PER SECTION 166 OF COMPANIES ACT, 2013

- (1) Subject to the provisions of this Act, a director of a company shall act in accordance with the articles of the company.
- (2) A director of a 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.
- (3) A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (4) A director of a company shall not involve 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.
- (5) A director of a 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 a director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company, apart from facing any other consequences.
- (6) A director of a company shall not assign his office and any assignment so made shall be void.
- (7) If a director of the company contravenes the provisions of this section such director shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.

EXTRACT OF CLAUSE 49 OF THE LISTING AGREEMENT

Responsibilities of Board:

1. Disclosure of Information:

- a. Members of the Board and key executives are required to disclose to the Board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the company.
- b. The Board and top management should conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture for good decision-making.

2. Key functions of the Board:

The Board should fulfill certain key functions, including:

- a. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments.
- b. Monitoring the effectiveness of the company's governance practices and making changes as needed.
- c. Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning.
- d. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders.
- e. Ensuring a transparent Board nomination process with a diversity of thought, experience, knowledge, perspective and gender in the Board.
- f. Monitoring and managing potential conflicts of interest of management, Board members and shareholders, including misuse of corporate assets and abuse in related party transactions.
- g. Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
- h. Overseeing the process of disclosure and communications.
- i. Monitoring and reviewing Board Evaluation framework.

3. Other responsibilities:

- a. The Board should provide the strategic guidance to the company, ensure effective monitoring of the management and should be accountable to the company and the shareholders.
- b. The Board should set a corporate culture and the values by which executives throughout a group will behave.
- c. Board members should act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company and the shareholders.
- d. The Board should encourage continuing Directors' training to ensure that the Board members are kept up to date.
- e. Where Board decisions may affect different shareholder groups differently, the Board should treat all shareholders fairly.

- f. The Board should apply high ethical standards. It should take into account the interests of all stakeholders.
- g. The Board should be able to exercise objective independent judgment on corporate affairs.
- h. Boards should consider assigning a sufficient number of non-executive Board members capable of exercising independent judgment to tasks where there is a potential for conflict of interest.
- i. The Board should ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the company to excessive risk.
- j. The Board should have ability to 'step back' to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the company's focus.
- k. When committees of the Board are established, their mandate, composition and working procedures should be well defined and disclosed by the Board.
- l. Board members should be able to commit themselves effectively to their responsibilities.
- m. In order to fulfill their responsibilities, board members should have access to accurate, relevant and timely information.
- n. The Board and senior management should facilitate the Independent Directors to perform their role effectively as Board members and also as members of committees.

ANNEXURE - B

To,
The Board of Directors
STEELCAST LIMITED
Ruvapari Road
Bhavnagar, Gujarat 364 005

Dear Sirs,

Re: Declaration by Independent Director

I hereby certify that I am holding the position on the Board of STEELCAST LIMITED as an Independent Director. I further certify that I meet all the requirements specified under Sub-Section 6 of Section 149 of Companies Act, 2013, and Clause 49 of Listing Agreement with the Stock Exchanges, for holding the position of Independent Director.

Signature:

Name:

Place:

Date: