

FORM OF LETTER OF APPOINTMENT OF INDEPENDENT DIRECTORS
[On the letter head of MAL]

**STRICTLY PRIVATE & CONFIDENTIAL
ADDRESSEE ONLY**

27th May, 2014

To,
[insert name of independent director]
[insert address],

Dear Sir,

Re: Appointment as the Independent Director of Maithan Alloys Limited

We are pleased to inform you that the Members have at the Annual General Meeting of the Company held on 22nd September 2014, approved your appointment as an Independent Director of the Company, not liable to retire by rotation.

Term of Appointment

Your Appointment is for a term of 5(five) years commencing from 22nd September, 2014 to 21st September, 2019.

Preliminary

You shall ensure the following compliances during your tenure as an Independent Director:

1. At the first meeting of the Board in every Financial Year you will have to submit the following:
 - a) a declaration stating that you meet the criteria of Independence as provided under section under Section 149 (6) of the Companies Act, 2013("Act").
 - b) the Notice of disclosure of your interest in other entities under section 184(1) of the Companies Act, 2013 read with rule 9(1) Companies (Meetings of Board and its Powers) Rules, 2014 in prescribed form MBP 1.
2. The number of companies in which you hold office as a Director or a chairman or committee member shall not exceed the limit stipulated under the Act and the Listing Agreement;
3. You shall not get disqualified to act as a Director pursuant to the provisions of Section 164 of the Act;
4. You will ensure compliance with other provisions of the Act and the listing Agreement as applicable to you as an Independent Director.

Board's Expectation

As an Independent Director of the Company, you are expected to act objectively and constructively while exercising your duties and at the same time 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, and risk management as well as exercising your responsibilities in a bona fide

manner in the interest of the Company and guiding the Company in implementing the best corporate governance practices.

You will be expected to devote such time as is prudent and necessary for proper performance of your role and for attending Board meeting(s) and meeting(s) of Committee of the Board to which you may be appointed from time to time.

Committees

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

The tasks to be performed shall be based on specific requirements depending on the terms of reference of the respective committees.

Presently you have been appointed on the following Committees of the Board:
(As applicable to the respective Director):

- (i)
- (ii)

Code of Conduct and Duties and Responsibilities

1. You will abide by the Maithan Alloys Code of Conduct to the extent applicable to the Director of the Company.

2. You will abide by the guidelines of professional conduct, role, function and duties as an Independent Directors provided in Schedule IV of the Companies Act, 2013, as may be modified from time to time by the Government and to carry out such role, duties and responsibilities as may be prescribed under the Companies Act, 2013, Schedule IV and rules framed thereunder.

3. You are expected to:

- (i) take decisions objectively and solely in the interests of the Company;
- (ii) 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;
- (iii) 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;
- (iv) Strive to attend all meetings of the Board of Director and of the Committee of the Board, of which you are a member;
- (v) Participate constructively and actively in the committee(ies) of the Board in which you are a chairperson or a member;
- (vi) Strive to attend the general meetings of the Company;
- (vii) 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;
- (viii) facilitate Company's adherence to high standards of ethics and corporate behavior;

- (ix) guide the Board in monitoring the effectiveness of the Company's governance practices and to recommend changes, required if any;
- (x) guide the Board in monitoring and managing potential conflicts of interest of Management, Board Members and Stakeholders.
- (xi) guide the Board in sound 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.

Liabilities

As an Independent Director of the Company, you shall be liable only for such acts of omission or commission by the Company which has occurred with your knowledge, attributable through Board processes and with your consent or connivance or where you have not acted diligently.

Performance Evaluation

Your reappointment or extension of term will be recommended by the Nomination and Remuneration Committee of the Board, pursuant to a performance evaluation carried out by the Board.

List of actions that a Director should not do while functioning as such in the Company

- (i) You shall not involve yourself in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company;
- (ii) You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates;
- (iii) You shall not assign your office as Director and any assignments so made shall be void;
- (iv) You shall not unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (v) You shall 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;
- (vi) You shall not serve as an Independent Director in more than 7 (Seven) listed companies or such other limit as may be specified under the listing agreement with the stock exchanges from time to time. However, if you are serving as a Whole-time Director in any listed company, you shall not serve as an Independent Director in more than 3 (Three) listed companies.

As an Independent Director of the Company you are expected not to do any such act, deed or thing that might directly or indirectly have an adverse impact on the goodwill/reputation of the Company.

Remuneration

- (i) 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 attending each meeting of the Board and its Committees as may be determined by the Board from time to time.

- (ii) The sitting fees presently paid to the Non-Executive Independent Director is Rs 10000/- for attending each meeting of the Board (excluding service tax thereon).
- (iii) You will be entitled to reimbursement of expenses incurred by you in connection with attending the Board meeting(s), meeting(s) of Committee of the Board, General meeting(s) and in relation to the business of the Company, towards travelling and other out-of-pocket expenses.
- (iv) Pursuant to applicable law, you will not be entitled to any stock options nor shall have entitlement to any bonus.

Independent Professional Advice

The Company will reimburse full cost of expenditure incurred by you for any consultancy or professional advice availed by you in furtherance of your duties as a Director or in relation to compliance with applicable rules and regulations, during the course of your tenure as an Independent Director.

Disclosure of interest

During the tenure as an Independent Director of the company you will disclose any proposed new directorship or appointment to the Chairman before accepting it and following acceptance, promptly disclose it to the Board and also promptly notify in writing to the Board, any subsequent changes to any your other directorships, appointments (including employment relationships) and interests, including any directorship, appointment or interest in a company.

Any material interest that you may have in any transaction or arrangement that the Company has entered into should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the same may be recorded in minutes appropriately and company's records are updated. A general notice that you are interested in any contract with a particular person, firm or company is acceptable.

Termination

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. In terms of provisions of the Companies Act, 2013 you are required to file a copy of your resignation letter with the Registrar of Companies, West Bengal.

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 Associations of the Company from time to time in force you will not be entitled to compensation at any time.

In accordance with the provision 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 in accordance with the provisions of the Articles of Association of the Company or failure to meet the parameters of Independence as defined in section 149(6) of the Companies Act, 2013 or the occurrence of any event as defined under section 167 of the Companies Act, 2013.

Miscellaneous

You will have access to confidential information, whether or not the information is marked or designated as "confidential" or "proprietary", relating to the Company and its business including

legal, financial, technical, commercial, marketing and business related records, data, documents, reports, etc., client information, trade secrets, (“**Confidential Information**”).

You shall use reasonable efforts to keep confidential and to not disclose to any third party, such Confidential Information either during your appointment or following termination (by whatever means).

If any Confidential Information is required to be disclosed by you in response to any summons or in connection with any litigation, or in order to comply with any applicable law, order, regulation or ruling, then any such disclosure should be, to the extent possible, with the prior consent of the Chairman/Board.

Your attention is also drawn to the requirement under the applicable regulations which concerns the disclosure of price sensitive information and dealing in the securities of the Company. Therefore you are requested to avoid making any statement or performing any transactions that might risk breach of the requirements, without prior clearance from Chairman/Board.

In terms of Clause IV sub-clause 6 of schedule IV to the Companies Act, 2013 company will make public the terms and conditions of your appointment and will also arrange for it to be displayed at its website.

This letter and any non-contractual obligation arising out of or in connection with this letter are governed by and shall be constructed in accordance with the Indian laws and your engagement shall be subject jurisdiction of the Kolkata courts.

Please confirm your acceptance by signing, dating, and returning a copy of this letter to the Company.

Yours faithfully,

Chairman

Agreed and Accepted

[Insert name of independent director]

Section 149 (6)

(b) (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;

(c) who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;

(d) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

(e) who, neither himself nor any of his relatives—

(i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

(ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—

(A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

(B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;

(iii) holds together with his relatives two per cent. or more of the total voting power of the company; or

(iv) is a Chief Executive or director, by whatever name called, of any nonprofit organisation that receives twenty-five per cent. or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company; or

(f) who possesses such other qualifications as may be prescribed.

SCHEDULE IV

[See section 149(8)]

CODE FOR 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 controls 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 shareholder's 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.

(4) The appointment of independent directors shall be formalised through a letter of appointment, which shall set out :

- (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) provision for Directors and Officers (D and O) insurance, if any;
- (e) the Code of Business Ethics that the company expects its directors and employees to follow;
- (f) the list of actions that a director should not do while functioning as such in the company; and
- (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.

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.

164. (1) A person shall not be eligible for appointment as a director of a company, if —

- (a) he is of unsound mind and stands so declared by a competent court;
- (b) he is an undischarged insolvent;
- (c) he has applied to be adjudicated as an insolvent and his application is pending;
- (d) he has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:

Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company;

- (e) an order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order is in force;
- (f) he has not paid any calls in respect of any shares of the company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;
- (g) he has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or
- (h) he has not complied with sub-section (3) of section 152.

(2) No person who is or has been a director of a company which—

- (a) has not filed financial statements or annual returns for any continuous period of three financial years; or
- (b) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more, shall be eligible to be re-appointed as a director of that company or appointed in other company for a period of five years from the date on which the said company fails to do so.