



## **FACOR STEELS LIMITED**

13<sup>th</sup> September, 2014

Mr. Mahendra B. Thaker  
**Nagpur**

Dear Sir,

**Re: Your Appointment as the Independent Director of FACOR Steels Limited**

We are pleased to inform you that at the 11<sup>th</sup> Annual General Meeting held on 11<sup>th</sup> September, 2014, shareholders have approved your appointment as an Independent Director of the Company to hold office for five consecutive years from 11<sup>th</sup> September, 2014 upto 10<sup>th</sup> September, 2019.

### **A. Preliminary**

Your appointment is subject to the following:

1. During your tenure as an Independent Director, you will have to submit a declaration at the first Board meeting held after beginning of every Financial Year under Section 149(7) of the Companies Act, 2013 ("Act") stating that you meet the criteria of Independence.
2. So long as you are an Independent Director of the Company, the number of companies in which you hold office as a Director or a Chairman or committee member will not exceed the limit stipulated under the Act and the Listing Agreement.
3. So long as you are an Independent Director of the Company, you will ensure that you do 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.

### **B. Term**

Your appointment is for a term of 5 years commencing from 11<sup>th</sup> September, 2014, upto 10<sup>th</sup> September, 2019.

### **C. Committees**

You are expected to attend the meetings of the Board and the Committees of the Board of which you already are or may be appointed as Chairman and/or Member and devote such time to your duties as deemed appropriate for discharge of your duties effectively.

### **D. Disclosures, other Directorships and Business Interests**

During the term, you agree to promptly notify the Company of any change in your Directorships and provide such other disclosures and information as may be required under the applicable laws. Further, you also agree that upon becoming aware of any potential conflict of interest with your position as Independent Director of the Company, you shall promptly disclose the same to the Company. Please confirm that as on the date of this letter, you have no conflict of interest issues with your existing Directorships, if any.



ISO/TS 16949:2009  
ISO 9001:2008  
APPROVED BY IRQS



ACCREDITED BY  
DUTCH COUNCIL FOR  
CERTIFICATION

Regd. Office & Works : 46 (A & B), Hingna M.I.D.C. Industrial Estate, Nagpur - 440 028, INDIA  
TEL. - +91-7104-235701, FAX - +91-7104-235709,  
Email - info@facorsteel.com, Website - www.facorsteel.com  
Corporate & Head Office : Shreeram Bhawan, Tumsar - 441912 (India) TEL. : +91-7183-232233/232251, FAX : +91-7183-232271  
CIN - L 27100MH2004PLC146283

During your Term, you agree to promptly provide a declaration under section 149(7) of the Companies Act, 2013, upon any change in circumstances which may affect your status as an Independent Director.

**E. Code of Conduct and Duties and Responsibilities**

1. You will abide by the FSL Code of Ethics and Business Principles applicable to Non-Executive Directors and business principles to the extent applicable to an Independent Director of the Company. Although a copy of the code has been provided to you, the same may, nevertheless, be accessed at the website of the Company under section titled "Code of Ethics".
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 set out at **Annexure-1** hereto.
3. You will not hold office as a Director or any other office in a competing firm/entity.
4. You are expected to stay updated on how best to discharge your roles, responsibilities, and duties and liabilities, as an independent Director of the Company under applicable law, including keeping abreast of current changes and trends in economic, political, social, financial, legal and corporate governance practices.
5. You are expected to:
  - (i) take decisions objectively and solely in the interests of the Company;
  - (ii) Facilitate Company's adherence to high standards of ethics and corporate behavior;
  - (iii) guide the Board in monitoring the effectiveness of the Company's governance practices and to recommend changes, required if any;
  - (iv) guide the Board in monitoring and managing potential conflicts of interest of Management, Board Members and Stakeholders, including misuse of corporate assets and abuse in related party transactions;
  - (v) guide the Board in ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit, and the 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.

**F. Performance Evaluation**

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

**G. Remuneration**

Your annual remuneration will be sitting fee for attending each meeting of the Board and its Committees as may be determined by the Board from time to time. Further, you will be entitled to reimbursement of expenses incurred by you in connection with attending the Board meetings, Board Committee meetings, general meetings and in relation to the business of the Company towards hotel accommodation, traveling and other out-of-pocket expenses.

#### **H. Insurance**

The Company has taken D&O Liability Insurance Policy with ICICI Lombard General Insurance, which covers all the Directors of the Company upto a value of Rs.5 crores.

#### **I. Training**

You will be entitled to the benefit of a training program to familiarize yourself with the business and affairs of the Company, growth plans, the peculiarities of the industry in which the Company operates, its goals and expectations and long term plans and objectives.

#### **J. Miscellaneous**

1. 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, intellectual property rights (including trade secrets), ("**Confidential Information**").
2. You shall use reasonable efforts to keep confidential and do not disclose to any third party, such Confidential Information.
3. In any Confidential Information is required to be disclosed by you in response to any summons or in connection with 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 Board.

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

Yours faithfully,  
For **FACOR STEELS LIMITED**

  
**N. D. SARAF**  
**CHAIRMAN**

Agreed and Accepted:

  
**Mr. Mahendra B. Thaker**