



MSP STEEL & POWER LIMITED

Registered Office : 16/S, Block-A, New Alipore, Kolkata-700 053, Phone: 033 4005 7777

Fax: 033 2398 2239 | E-mail: contactus@mspsteel.com | Website: www.mspsteel.com

Date:

TO

Mr/Mrs.....

.....

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Sub: - Your appointment as an Independent Director of the Company

Dear Sir,

We are pleased to inform you that upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors ('the **Board**') of MSP Steel & Power Limited ('the **Company**') has in its meeting held on, approved your appointment as an independent director of the Company ('**Independent Director**') w.e.f. Your appointment is subject to the approval of shareholders at the Annual General Meeting of the Company scheduled to be held on

This letter sets out the terms of your appointment as a Non-Executive Independent Director of the Company.

(1) Appointment

- 3.1 Subject to the remaining provisions of this letter, your appointment is for a term of five years starting from up to the Conclusion of ... Annual General Meeting of the Company to be held in Calendar Year
- 1.2 Your appointment is subject to the provisions of the Companies Act, 2013, Code of Independent Directors in Schedule IV thereto, the Articles of Association of the Company and fulfilment of the prescribed Independence criteria.
- 1.3 The term 'Independent Director' should be construed as defined under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (SEBI LODR Regulations 2015).
- 1.4 Your performance shall be evaluated by the Nomination & Remuneration Committee and the Board annually.
- 1.5 Your appointment shall also be governed by the provisions of Clause 25 of the SEBI LODR Regulations 2015 as amended from time to time.
- 1.6 Your appointment is also subject to the maximum permissible Directorships that an individual can hold as per the provisions of the Companies Act, 2013 and SEBI LODR Regulations 2015.

(2) Appointment on the Committees of the Board

- 2.1 During the tenure of your office, you may be required to serve on one or more Committees of the Board. You will be provided with the relevant terms of reference on your appointment to such a Committee.



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(3) Time Commitment

- 3.1 The Board expects you to devote sufficient time & attention towards the business affairs of the Company and participate actively & constructively in:
 - a) Meetings of the Board of Directors
 - b) The Annual General Meeting of the Company;
 - c) Meetings of various Board Committees of which you are a member
 - d) Separate meetings of the Non-Executive / Independent Directors and Meetings as part of the Board evaluation process.
- 3.2 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 Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Nomination & Remuneration Committee.
- 3.3 At certain times it may be necessary to convene additional Board, Committee or Shareholder Meetings, at shorter notice if need be and it is expected that you will make every effort to attend the same.
- 3.4 By accepting this appointment, you undertake that, taking into account all other commitments you may have, you are able to, and will, devote sufficient time to your duties as a Non-Executive Independent Director.

(4) Duties and responsibilities

- 4.1 As a Non-Executive Director you are expected to bring objectivity and independence of view to the Board's discussions in relation to the Company's strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance.
- 4.2 Your role and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 and Code of Independent Directors in Schedule IV thereto and SEBI LODR Regulations 2015.
- 4.3 You will exercise your powers in your role as a Non-Executive Independent Director having regard to relevant obligations under prevailing law and regulation, including the Companies Act 2013.
- 4.4 You 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 interest of the Company.
- 4.5 You shall discharge your duties with due and reasonable care, skill and diligence.
- 4.6 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.
- 4.7 You shall not assign your office as Independent Director and any assignments if made shall be void.
- 4.8 You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.



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(5) Remuneration and expenses

- 5.1 The Company will, for the period of your appointment, reimburse you for travel, accommodation, food and other incidental expenses incurred by you in the performance of your role and duties.
- 5.2 You will be entitled to sitting fees subject to the terms and conditions as decided by the Company and to payment of such fees to other Independent Directors.

(6) Confidentiality

- 6.1 All information acquired during your appointment is confidential to MSP Steel & Power Limited and should not be released, either during your appointment or following termination (by whatever means) to third parties without prior clearance in writing 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.
- 6.2 This restriction shall cease to apply to any confidential information which may (other than by reason of your breach) become available to the public generally.
- 6.3 You acknowledge the need to hold and retain company information (in what-ever format you may receive it) under appropriately secure conditions.
- 6.4 You will not, except with the prior written consent of the Company, be in any way connected with or interested in any business in competition with that of the Company. This does not prevent you from holding equity or other securities in other companies, however it is expected that you will not serve on the Boards of competing companies.

(7) Price sensitive information and dealing in the Company's or its Associate Companies' shares

- 7.1 Your attention is also drawn to the requirements under the applicable laws and regulations and the Company's Code of Conduct for Board Members and Senior Management, and also the Company's Code of Conduct to Regulate, Monitor and Report trading by Insiders which concern the disclosure of price sensitive information and dealing in the securities of MSP Steel & Power Ltd. 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.
- 7.2 The prohibition on disclosure of price sensitive information, insider trading and forward dealing in the securities of the Company is also applicable to you.

(8) Conflict of Interest and Disclosures

- 8.1 You are required to disclose to the Company your interests and any matters which affect your independence. You are required to notify the Company whenever there is any change in these interests.



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(9) Termination of Office

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 to the Board.

Continuation of your appointment shall be subject to the Nomination Policy of the Company in force from time to time and in accordance with provisions of Companies Act, 2013 and the Articles of Association of the Company in force.

Your directorship on the Board of the Company shall terminate or cease in accordance with the provisions of the Companies Act, 2013, and the Articles of Association of the Company. Without prejudice to the generality of the foregoing, your directorship on the Board of the Company would also be subject to performance evaluation of Independent Directors to be carried out by the Board as per the Policy For Nomination, Remuneration & Diversity Of Board of the Company, for determining whether to extend or continue the term of appointment of the independent director.

(10) Contract

It is agreed that this is a contract for services and is not a contract of employment. 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.

Please acknowledge your acceptance by signing where indicated below and returning to us the enclosed copy of this letter.

Yours sincerely,
For **MSP Steel & Power Limited,**

Company Secretary & Compliance Officer

I hereby acknowledge receipt of this letter and accept the terms set out therein.

Signed

Dated

Schedule IV
Section 149 (8) of the Companies Act, 2013
Code for Independent Directors

The Code is a guide to professional conduct for independent Directors. Adherence to these standards by independent Directors and fulfilment 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 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.

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 director(s) of the company shall be approved at the meeting of the shareholders.

(3) The explanatory statement attached to the notice of the meeting for approving the appointment of 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) 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.

(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 independent director shall be on the basis of 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 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.