

Morganite Crucible (India) Limited
Morgan Advanced Materials
Molten Metal Systems
B-11, M.I.D.C., Waluj
Chh. Sambhaji Nagar,
(Aurangabad) - 431 136,
Maharashtra, (India)

Sub: Appointment as Independent Director

We are pleased to inform you that you have been appointed as Independent Director of the Morganite Crucible (India) Limited (the Company) upon the recommendation of the Nominations and Remuneration Committee. The terms and conditions of your appointment as Independent Director are sets out as per below :

1. Appointment

You will be appointed as an Independent Director of the Board of Directors up to 5 years from the date of your appointment subject to the approval of shareholders and as per provisions of the Companies Act, 2013 and other applicable laws.

2. Board Committees

The Board may nominate you on one or more of the Committees of the Board constituted by the Company subject to provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The mandates of the Committee shall be provided to you upon your appointment on the Committee.

3. Roles, Responsibilities and Duties

You shall abide the 'Code of Conduct for Independent Directors' as amended from time to time to the extent relevant to your role as outlined in Schedule IV to the Companies Act, 2013 as set out in annexure.

4. Remuneration

You will be entitled to sitting fees for attending Board and Committee meetings, and a Commission fee on profits of the Company, as approved by the Board and Shareholders from time to time.

Further, you shall be paid or reimbursed out of pocket expenses as may have been incurred by you while performing your role as an Independent Director of the Company such as expenses relates to attending the Board or Committee Meetings, Annual General Meetings, Extra Ordinary General Meetings, Court Convened Meetings etc.

5. Dealing in Shares and Code of Conduct

The Directors are prohibited dealing in securities of the Company when Share Trading Window is closed in the following circumstances:

- i. Declaration of financial results (quarterly, half-yearly and annually);
- ii. Declaration of dividends (interim and final);
- iii. Issue of securities by way of public/rights/bonus etc.;
- iv. Any major expansion plans or execution of new projects;
- v. Amalgamations, mergers, takeovers and buy-back;
- vi. Disposal of whole or substantially whole of the undertaking;
- vii. Any changes in policies, plans or operations of the Company.

Further you are also required to comply applicable insider trading laws as amended from time to time.

6. Disclosures of other Company's Directorship and Business Interest

During the tenure of your appointment as Independent Director, you shall promptly disclose the directorship held by you in other Companies and shall also submit annual declaration to the Company stating directorship holds in other Companies including nature of interest.

7. Termination

You may resign from the Directorship of the Company by giving notice in writing to the Company stating the reasons of resignation. In case you fail to fulfil the criteria of "independence" as envisaged in Section 149(6) of the Companies Act, 2013 you shall promptly submit the resignation to the Company with immediate effect. Your appointment may be terminated in accordance with provisions of Companies Act, 2013

8. Anti-Corruption & Anti Bribery

You shall not make, or authorize or tolerate to be made during tenure of your appointment, any payments, loans or gifts, or promises or offers of payments, loans or gifts, of any money or anything of value, directly or indirectly, to or for the use or

benefit of any official or employee of any government, or the agencies or instrumentalities of any such government, to any political party or official or candidate thereof, or to any other person if you know or has reason to suspect that any part of such payment, loan or gift will be, directly or indirectly, given or paid to any government official or political party or candidate or official thereof, or to any other person or entity the making of which would violate either the laws or policies of India and United Kingdom.

You shall abide the Company's Ethics Policy as annexed with this letter during tenure of your appointment as Independent Director.

Thanking you

For Morganite Crucible (India) Limited

(Managing Director)

Code of Conduct for Independent Directors as per Schedule IV of the Companies Act, 2013

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 two 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;
 - (a) The meeting shall:
 - (b) review the performance of non-independent directors and the Board as a whole;
 - (c) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
 - (d) 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.