

ADITYA ULTRA STEEL LIMITED

CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT

[Pursuant to Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

ADITYA ULTRA STEEL LIMITED

CIN: U27100GJ2011PLC066552

Registered Office:

R.S. No.48P1 to 48P5,

8-A N.H, BHALGAM, RAJKOT,

WANKANER, GUJARAT – 363621.

TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

1. Appointment

In accordance with the provisions of the Companies Act, 2013 (“Act”) and other applicable laws, you will serve as an Independent Director of the Board from _____ (“date of appointment”) through _____ (“First Term”). As an Independent Director you will not be liable to retire by rotation and your appointment is subject to the approval of shareholders at the ensuing Annual General Meeting of the Company.

In terms of the Act, you may be eligible to serve as an Independent Director for another term of up to 5 years, subject to the recommendation of the Nomination and Remuneration Committee and passing of special resolution by the shareholders of the Company.

The terms of your appointment, as set out in this letter, are subject to the extant provisions of the (i) applicable laws, including the Act and the Listing Regulations (as amended from time to time) and (ii) Articles of Association of the Company (“AOA”).

2. Role, duties and responsibilities

- A. As a member of the Board, you along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:
- Requirements under the Companies Act, 2013,
 - Responsibilities of the Board as outlined in the Listing Regulations,
 - Accountability under the Directors’ Responsibility Statement.
- B. You shall abide by the ‘Code for Independent Directors’ as outlined in Schedule IV to Section 149(8) of the Act, and the duties of directors as provided in the Act (including Section 166) and in Regulation 4(2)(f) of the Listing Regulations.
- C. You will provide guidance in your area of expertise.

3. Professional Conduct for Independent Directors

As an Independent Director, you shall:

- i. uphold ethical standards of integrity and probity;
- ii. act objectively and constructively while exercising your duties;
- iii. exercise your responsibilities in a bona fide manner in the interest of the Company;
- iv. devote sufficient time and attention to your professional obligations for informed and balanced decision-making;
- v. not allow any extraneous considerations that may vitiate your exercise of objective independent judgement in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgement of the Board in its decision-making;

- vi. not abuse your 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;
- vii. refrain from any action that could lead to a loss of your independence;
- viii. ensure that if circumstances arise under which you may lose your independence, you will immediately inform the Board accordingly;
- ix. assist the Company in implementing the best corporate governance practices.

4. Role and Function of Independent Directors

As an Independent Director you shall:

- i. 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;
- ii. bring an objective view in the evaluation of the performance of the Board and the Management;
- iii. scrutinize the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance;
- iv. satisfy yourself on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- v. safeguard the interests of all stakeholders, particularly the minority shareholders;
- vi. balance the conflicting interest of the stakeholders;
- vii. 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;
- viii. moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between Management and shareholder's interest.

5. Duties

As an Independent Director, you shall:

- i. undertake the appropriate induction into the Board and regularly update and refresh your skills, knowledge and familiarity with the Company;
- ii. seek appropriate clarifications and, where necessary, seek and follow appropriate professional advice from external experts at the expense of the Company;
- iii. strive to attend every meeting of the Board and of the Board committees of which you are a member;
- iv. actively and constructively participate in the Board and Committees of the Board in which you may be a member or the Chairperson;
- v. strive to attend the general meetings of the Company;
- vi. ensure that any concerns that you may have about the running of the Company are addressed by the Board and seek inclusion of these concerns in the Board minutes to the extent these concerns are not resolved;
- vii. keep yourself well informed about the Company and the external environment in which it operates;

- viii. not unfairly obstruct the functioning of an otherwise proper Board or committee;
- ix. ensure that related party transactions are considered carefully before they are approved and are in the interest of the Company;
- x. ensure that the whistleblower function of the Company is functioning adequately;
- xi. report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics;
- xii. within your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- xiii. not disclose any confidential information unless such disclosure is expressly approved by the Board or required by law.

6. Functions of the Board of Directors

- i. Key functions of the Board of Directors:
 - 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.
 - Monitoring the effectiveness of the listed entity 's governance practices and making changes as needed.
 - Selecting, compensating, monitoring and, when necessary, replacing key managerial personnel and overseeing succession planning.
 - Aligning key managerial personnel and remuneration of board of directors with the longer-term interests of the listed entity and its shareholders
 - Ensuring a transparent nomination process to the board of directors with the diversity of thought, experience, knowledge, perspective and gender in the board of directors.
 - Monitoring and managing potential conflicts of interest of management, members of the board of directors and shareholders, including misuse of corporate assets and abuse in related party transactions.
 - Ensuring the integrity of the listed entity '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.
 - Overseeing the process of disclosure and communications.
 - Monitoring and reviewing board of director 's evaluation framework.
- ii. Other responsibilities:
 - The board of directors shall provide strategic guidance to the listed entity, ensure effective monitoring of the management and shall be accountable to the listed entity and the shareholders.

- The board of directors shall set a corporate culture and the values by which executives throughout a group shall behave.
- Members of the board of directors shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the listed entity and the shareholders.
- The board of directors shall encourage continuing directors' training to ensure that the members of board of directors are kept up to date.
- Where decisions of the board of directors may affect different shareholder groups differently, the board of directors shall treat all shareholders fairly.
- The board of directors shall maintain high ethical standards and shall take into account the interests of stakeholders.
- The board of directors shall exercise objective independent judgement on corporate affairs.
- The board of directors shall consider assigning a sufficient number of non-executive members of the board of directors capable of exercising

7. Remuneration

As an Independent Director you will be paid sitting fees for attending the meetings of the Board and the Committees of which you are a member. The sitting fees for attending each meeting of the Board and its Committees would be as determined by the Board from time to time.

In addition to the sitting fees, profit related commission may also be paid to you. In determining the amount of commission payable, the Board, supported by the Nomination and Remuneration Committee, shall consider performance of the Company as well as your performance as evaluated by the Board.

Further, the Company may pay or reimburse to you such expenditure that may be incurred by you while performing your role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by you for accommodation, travel and any out of pocket expenses for attending Board/ Committee meetings, General Meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, participating in induction and training programmes (organized by the Company for Directors) and/or obtaining professional advice (subject to the expense being reasonable) from independent advisors in the furtherance of your duties as an Independent Director.

8. Training and Development

The Company may, if required, conduct formal training programmes for its Independent Directors. The training programmes may include any or all of the following:

- Board roles and responsibilities, whilst seeking to build working relationship among the Board members,
- Company's vision, strategic direction, core values, ethics and corporate governance practices,
- Familiarization with financial matters, management team and business operations,

- Meetings with stakeholders, visits to business locations and meetings with senior and middle management.

The Company may, as may be required, support Directors to continually update their skills and knowledge and improve their familiarity with the Company and its business. The Company will fund/arrange for training on all matters which are common to the full Board.

9. Performance Appraisal / Evaluation Process

Annually, the Board evaluates the effectiveness of its functioning, that of the Committees and of individual Directors. The Board, through NRC, seeks feedback of Directors on various parameters such as:

- Degree of fulfilment of key responsibilities towards stakeholders (by way of monitoring corporate governance practices, participation in the long-term strategic planning etc.);
- The structure, composition and role clarity of the Board and Committees;
- Extent of co-ordination and cohesiveness between the Board and its Committees;
- Effectiveness of the deliberations and process management;
- Board/Committee culture and dynamics; and
- Quality of relationship between Board Members and the Management.

The Chairman of the Board will have one-on-one meetings with the Independent Directors and the Chairman of NRC will have one-on-one meetings with the Executive and Non-Executive Directors. These meetings are intended to obtain Directors' inputs on effectiveness of the Board/Committee processes.

10. Memberships of other boards

It is expected that you will not serve on the boards of competing companies. Apart from the applicable law and good corporate governance practices, there are no other additional limitations.

11. Independent Directors' discussion

Annually and when required, the Independent Directors meet without the presence of Non-Independent Directors and members of the Management. At this meeting, the Independent Directors inter alia evaluate the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluate the performance of the Chairman of the Board and discuss aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

12. Retirement policy

The age of retirement for all executive directors is 65 years. The Nomination and Remuneration Committee may, at its discretion, determine their continuation as members of the Board upon superannuation/retirement. The age of retirement for non-executive directors is 70 years. The age of retirement for Independent Directors is 75 years.

13. Changes in personal details

During your Term, you shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

14. Disengagement

You may resign as Director of the Company by giving notice in writing to the Company stating the reasons for resignation. The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by you in the notice, whichever is later.

15. Extension of Term

Upon the expiry of your First Term and subject to your eligibility under the relevant provisions of the Act, Rules, Listing Regulations and other applicable laws, as prevailing from time to time and subject to annual performance evaluation and recommendations of the Nomination and Remuneration Committee, the Board may, at its discretion, recommend to the shareholders renewal of your term.

16. Miscellaneous

The terms of appointment contained in this letter along with your detailed profile shall be disclosed on the website of the Company and the relevant stock exchanges.

17. Acceptance of Appointment

Please confirm your acceptance of the above terms by signing and returning the enclosed duplicate copy of this letter.

We look forward to your support and commitment towards the Company.

Yours Sincerely,
Aditya Ultra Steel Limited

Company Secretary

Place:

Date:

18. 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.

Name:

Place:

Date: