

Terms and conditions of Appointment of Independent Directors

The terms and conditions of appointment of the Independent Directors are subject to the extant provisions of the (i) applicable laws, including the Companies Act, 2013 ('the Act') and Clause 49 of the Listing Agreement (as amended from time to time) and (ii) Articles of Association of the Company.

The broad terms and conditions of their appointments as Independent Directors of the Company are reproduced hereunder:

1. Appointment

- a. They are appointed as a Non-Executive Independent Director on the Board of Directors of the Company for a term of 5 consecutive years, with effect from the date of their appointment. Their appointment is subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013 and the Listing Agreement.
- b. As an Independent Director, they will not be liable to retire by rotation.
- c. The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the Listing Agreement. The Company is at liberty to disengage Non-Executive Independent Director prior to the expiry of his tenure, subject to compliance of relevant provisions of Companies Act, 2013.

2. Committees

The Board of Directors may, if it deems fit, invite them for appointment on one or more existing Board Committees or any such Committee that is set up in the future. Their appointment on such Committee(s) will be subject to the applicable regulations.

3. Time Commitment

- a. As a Non-Executive Director they are expected to bring objectivity and 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 ensuring high standards of financial probity and corporate governance. 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 Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Banking and Authorization Committee and meetings for these Committees are convened as and when required. They are expected to attend the meetings of Board and Board Committees to which they may be appointed and Shareholders meetings and to devote such time, as is appropriate for them to

discharge their duties effectively. Generally, all Board and Committee meetings are held in Kolkata.

- b. By accepting the appointment, they confirm that they are able to allocate sufficient time to meet the expectations from their role to the satisfaction of the Board.

4. Professional Conduct

As an Independent Director, they shall:

- (a) uphold ethical standards of integrity and probity;
- (b) act objectively and constructively while exercising their duties;
- (c) exercise their responsibilities in a bona fide manner in the interest of the Company;
- (d) devote sufficient time and attention to their professional obligations for informed and balanced decision-making;
- (e) not allow any extraneous considerations that may vitiate their 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;
- (f) not abuse their 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;
- (g) refrain from any action that could lead to a loss of their independence;
- (h) ensure that if circumstances arise under which they may lose their independence, they will immediately inform the Board accordingly;
- (i) assist the Company in implementing the best Corporate Governance practices.

5. Role and Duties

- a. Their role and duties will be those normally required of an Independent Director under the Companies Act, 2013 and the Listing Agreement. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:
 - i. They shall act in accordance with the Company's Articles of Association.
 - ii. They 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.
 - iii. They shall discharge their duties with due and reasonable care, skill and diligence.
 - iv. They shall not involve themselves in a situation in which they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company. Please refer to clause 8 of this letter for full explanation on conflict of interest.

- v. They shall not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners or associates.
- vi. They shall not assign their office as Director and any assignments so made shall be void.

In addition to the above requirements applicable to all Directors, the role of the Non-Executive Director has the following key elements:

- **Strategy:** Independent Directors should constructively challenge and help develop proposals on strategy;
- **Performance:** Independent Directors should scrutinize the performance of management in meeting agreed goals and objectives;
- **Risk:** Independent Directors should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;
- **People:** Independent Directors are responsible for determining appropriate levels of remuneration of Executive Directors and have a prime role in appointing, and where necessary, removing Executive Directors and in succession planning;
- **Reporting:** Independent Directors take responsibility for the processes for accurately reporting on performance and the financial position of the Company; and;
- **Compliance:** Independent Directors should keep governance and compliance with the applicable legislation and regulations under review and the conformity of the Company's practices to accepted norms.

6. Remuneration

They will be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board. Further, they will also be paid remuneration by way of profit related commission as may be approved by the Board and the Shareholders from time to time.

7. Reimbursement of Expenses

In addition to the remuneration described in paragraph 6 above the Company will, for the period of their appointment, reimburse them for travel, hotel and other incidental expenses incurred by them in the performance of their role and duties.

8. Conflict of Interest

- a. It is accepted and acknowledged that they may have business interests other than those of the Company. As a condition to their appointment, they are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of their appointment.

- b. In the event that circumstances seem likely to change and which may give rise to a conflict of interest or, when such circumstances arise that might lead the Board to revise its judgment that they are independent, this should be disclosed to both the Chairman and the Secretary immediately.

9. Confidentiality

All information acquired during their appointment is confidential to the Company and should not be released, either during their appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman unless required by law or by the rules of any stock exchange or regulatory body. On reasonable request, they shall surrender any documents and other materials made available to them by the Company.

Their attention is also drawn to the requirements under the applicable regulations and the Company Code of Conduct for regulating, monitoring and reporting trading by insiders in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015 which concern the disclosure of price sensitive information and dealing in the securities of Electrosteel Castings Limited. Consequently they should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Company Secretary of the Company.

Additionally, they are required, at all times, to adhere to the terms and conditions of the Code of Conduct for Directors and Senior Management Personnel. They are required to submit an annual declaration of having abided by the aforesaid codes.

10. Evaluation

The Company has adopted a policy on Board Evaluation. This policy provides for evaluation of the Board, the Committees of the Board and individual Directors, including the Chairman of the Board. As per this Policy, the Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis. Their appointment and re-appointment on the Board shall be subject to the outcome of the yearly evaluation process.

11. Independent Professional Advice

There may be occasions when they consider that they need professional advice in furtherance of their duties as a Director and it will be appropriate for them to consult independent advisors at the Company's expense. The Company will reimburse the full cost of expenditure incurred in accordance with the Company's policy.

12. Disclosure of Interest

During the term, they agree to promptly notify the Company of any change in their Directorships and provide such other disclosures and information as may be required under the applicable laws. They also agree that upon becoming aware of any potential conflict of interest with their position as Independent Director of the Company, they shall promptly disclose the same to the Company.

During their term, they agree to promptly provide a declaration under Section 149(7) of the Act, upon any change in circumstances which may affect their status as an Independent Director.

During the term, they shall promptly intimate the Company and the Ministry of Corporate Affairs in the prescribed manner, of any change in address or other contact and personal details provided to the Company. A general notice that they are interested in any contracts with a particular person, firm or company is acceptable.

13. Termination

- a. They may resign from their position at any time and should they wish to do so, they are requested to serve a reasonable written notice on the Board.
- b. Continuation of their appointment is contingent on their getting re-elected from time to time, by the shareholders in accordance with the then applicable provisions of Companies Act, 2013 and the Articles of Association of the Company. They will not be entitled to compensation if the shareholders do not re-elect them at any time.
- c. Their appointment may also be terminated from time to time by virtue of the provisions of the Articles of Association of the Company in force.

14. Governing Law

This agreement is governed by and will be interpreted in accordance with Indian law and their engagement shall be subject to the jurisdiction of the Indian courts.