

**Date:** 02.11.2023

**To,  
SMITA MODI  
AROGYA MANDIR,  
MEDICAL COLLEGE ROAD,  
GORAKHPUR - 273003  
UTTAR PRADESH**

Dear Mrs. Smita Modi,

**SUB: LETTER OF APPOINTMENT**

We are pleased to inform you that upon the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company has approved your appointment as an Independent Director of the Company. This letter sets out the terms of your appointment.

**1. Terms of Appointment:**

- Subject to Members' approval at the General Meeting of the Company, the term of appointment of Independent Directors of the Company is for a period of 5 consecutive years from the date of their being appointed or designated as such on the Board of the Company.
- Independent Directors will be eligible for re-appointment for a further period of 5 consecutive years, after the completion of tenure of first 5 years, as per the provisions of the Companies Act, 2013 and in accordance with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**2. Duties:**

- In addition to their role as a Director, the Board may nominate Independent Director as the Chairman / Member of other Board Committees, as it may deem fit from time to time.
- Further, schedule IV of the Companies Act, 2013 prescribes certain duties of Independent Directors.

### **3. Code of Business Ethics:**

- The Board has put in place a code of Business Ethics. An annual affirmation of compliance is required to be provided by the Independent Directors on the same.

### **4. Remuneration:**

- Directors are entitled to a sitting Fee for every meeting of the Board/ committee of Board. The amount of sitting fess shall be as decided by the Board from time to time, as deemed fit;

The Board may prescribe any further duties and responsibilities, including as per the provisions of the applicable regulations.

### **5. Committees:**

As advised by the Board, an Independent Director, during the tenure of office may serve one or more Committees of the Board established by the Company.

### **6. Professional Conduct:**

- (a) Uphold ethical standards of integrity and probity;
- (b) Act objectively and constructively while exercising duties;
- (c) Exercise responsibilities in a bona fide manner in the interest of the Company;
- (d) Devote sufficient time and attention to professional obligations for informed and balanced decision-making
- (e) Not allow any extraneous considerations that may vitiate 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 to abuse 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 independence;

(h) Ensure that if circumstances arise under which an Independent Director may lose independence, Independent Director will immediately inform the Board accordingly;

(i) Assist the Company in implementing the best corporate governance practices.

## **7. Functions, Responsibilities and Duties of Independent Directors**

### **Functions**

(a) To review the Company's strategy, the annual financial plan and monitor the Company's Performance

(b) To review management performance and compensation

(c) To review and decide on succession planning of executive officers of the Company

(d) To advice and counsel the Management

(e) To monitor and manage potential conflicts of interests of the Management

(f) To oversee and ensure the integrity of financial information and legal compliance

### **Responsibilities**

Independent directors have the same general legal responsibilities to the Company as that of any other director. The Board, as a whole, is collectively responsible for ensuring the success of the Company by directing and supervising the Company's affairs.

### **Duties**

An Independent Director shall:

(a) Undertake the appropriate induction into the Board and regularly update and refresh skills, knowledge and familiarity with the Company;

(b) Seek appropriate clarification and, where necessary, seek and follow appropriate professional advice from external experts at the expense of the Company;

(c) Strive to attend every meeting of the Board and of the Board committees of which a member;

- (d) Actively and constructively participate in the Board committees of the Board in which a member or the Chairperson;
- (e) Strive to attend the general meetings of the Company;
- (f) Ensure that any concerns that 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;
- (g) Keep well informed about the Company and the external environment in which it operates;
- (h) Not unfairly obstruct the functioning of an otherwise proper Board or committee;
- (i) Ensure that related Party transactions are considered carefully before they are approved and are in the interest of the Company;
- (j) Ensure that the whistleblower function of the Company is functioning adequately;
- (k) Report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics;
- (l) Within authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- (m) Not disclose any confidential information unless such disclosure is expressly approved by the Board or required by law.

## **8. Fees**

The compensation of the non-executive/independent directors is approved at a meeting of the Board. This amount shall not exceed limits of the net profit of the Company for the year calculated as per the provisions of the Companies Act, 2013.

## **9. Term**

Subject to applicable law, non-executive/independent directors are eligible to serve for a period of ten years or up to the age of retirement whichever is earlier.

## **10. Information on meetings**

### **Scheduling and selection of agenda items for Board meetings**

Generally, the Board meetings are held at the Registered Office of the Company in Kolkata. The Chairman of the Board and Compliance Officer, in consultation with the Independent director Chief Executive Officer (CEO) and the Accounts and Finance Head, draft the agenda for each meeting, along with explanatory notes, and distribute it in advance to the Board members. Every Board member is free to suggest the inclusion of items on the agenda. Normally, the Board meets once a quarter to review the quarterly results and other items on the agenda. The Board also meets during the Annual Shareholder meeting. Additional meetings are held based on need. Non-executive directors are expected to attend at least four Board meetings in a year.

## **11. Availability of information to the Board**

The Board has full and unfettered access to any information of the Company, and to any employee of the Company. At Board meetings, the Board invites managers of the Company when additional details into the items being discussed are required.

## **12. Dealing in shares and Code of Conduct**

Directors are prohibited from dealing in the Company's shares during the period when the trading window is closed. Further, directors, being designated officers of the company for the purpose of insider trading guidelines, are to pre-clear all trades (buy/sell/gift) from the Compliance Officer of the Company. Independent Director is required to comply with the applicable insider trading laws and regulations.

## **13. Termination**

- a. 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 on the Board.
- b. Your appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

Yours sincerely,

**s/d-**

**Nitesh Kumar**

**Company Secretary**

**GALLANTT ISPAT LIMITED**