



Dated: 1st July, 2022

Mr. Mahendra Bhawanji Thaker
Plot No-9, Giripeth Amraoti Road,
Nagpur-440 010, Maharashtra

Sub: Appointment as an Independent Director

Dear Mr. Thaker,

We are pleased to inform you that the Shareholders of Facor Alloys Limited (hereinafter referred to as 'FAL' or the 'Company') has approved your appointment as an Independent Director of the Company at their Extra-Ordinary General Meeting of the Company held on 30th June, 2022. This letter of appointment sets out the terms and conditions covering your appointment which are as follows:-

1. Appointment

You have been appointed as an Independent Director on the Board of FAL for a period of 5 years effective from 30th June, 2022 upto 29th June, 2027. Your appointment is subject to the following:

- a. During your tenure as an Independent Director, you will have to submit a declaration at the first Board meeting held after beginning of every Financial Year under Section 149(7) of the Companies Act, 2013 ("Act") read with the applicable Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 stating that you meet the criteria of Independence.
- b. So long as you are an Independent Director of the Company, the number of companies in which you hold office as a Director or a Chairman or committee member will not exceed the limit stipulated under the Act as well as the Listing Agreement.
- c. So long as you are an Independent Director of the Company, you will ensure that you do not get disqualified to act as a Director pursuant to the provisions of Section 164 of the Act.
- d. You will ensure compliance with other provisions of the Act, the listing Agreement and the Continuous Disclosure Requirements for listed companies under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable to you as an Independent Director including in particular, providing details of any frauds or defaults committed, if any, by you.

2. Committees

The Board may invite you for being appointed on any existing Committee of the Board or will set up in future. Your appointment on such Committee(s) will be subject to the applicable regulations.

3. Time Commitment

As an Independent Director you 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, besides other Committee meeting(s). You will be expected to attend Board / Committees

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meetings and to devote such time to your duties for balanced decision making, as appropriate for you to discharge effectively.

4. **Role and Duties**

Your role and duties will be those normally mentioned for an Independent Director under the Companies Act, 2013 and the SEBI LODR Regulations. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:-

- I. You shall act in accordance with the Company's Articles of Association.
- II. 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.
- III. You shall discharge your duties with due and reasonable care, skill and diligence.
- IV. 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. Please refer to clause 7 for full explanation on conflict of interest.
- V. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
- VI. You shall not assign your office as Director and any assignments so made shall be void.
- VII. You shall assist the Company in implementing the best Corporate Governance practices.

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

Strategy: Non-Executive Directors should constructively challenge and help develop proposals on strategy.

Performance: Non-Executive Directors should scrutinize the performance of management in achieving the agreed goals and objectives.

Risk: Non-Executive Directors should satisfy themselves on the integrity of financial information and that financial control and systems of risk management are robust and defensible.

People: Non-Executive Directors are responsible for determining appropriate levels of remuneration of Executive Directors, if any, and have a prime role in appointing and where necessary removing Executive Directors and in succession planning.

Reporting: Non-Executive Directors take responsibility for the processes for accurately reporting on performance and the financial position, and

Compliance: Non-Executive Directors should keep governance and compliance with the applicable legislation and regulations under review and the conformity of FAL practices to accepted norms.

5. **Status of Appointment**

- 5.1 You will not be an employee of the Company and this letter shall not constitute a contract of employment. You will be paid such remuneration by way of sitting fees for meetings of the Board and / or its Committees as may be decided by the Board and / or approved by the Shareholders from time to time. Further, you will also be paid remuneration by way of commission as may be approved by the Board and the Shareholders from time to time.



5.2 The sitting fees presently paid to the Non-Executive Director is Rs.15,000/- per meeting of the Board and Rs.10,000/- of the Committee(s).

6. Familiarization Program

You will be entitled to the benefit of a Familiarisation Program to familiarize yourself with the business and affairs of the Company, growth plans, the peculiarities of the Industry in which the Company operates, its goals and expectations and long term plans and objectives.

7. Reimbursement of Expenses

In addition to the remuneration described in paragraph 5, the Company will, for the period of your appointment, reimburse you for travel and other incidental expenses incurred by you in the course of attending the Board/ Committee meetings subject to production of bills.

8. Conflict of Interest

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

8.2 In the event that your circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgment that you are independent, this should be disclosed to both the Chairman and the Secretary of the Company.

9. Confidentiality

All information acquired during your appointment is confidential to FAL and should not be released, either during your 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, you shall surrender any documents and other materials made available to you by FAL.

Your attention is also drawn to the requirements under the applicable regulations and the FAL Share Dealing Code which concern the disclosure of price sensitive information and dealing in the securities of FAL. 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 or the Secretary.

10. Evaluation

The Company has adopted a policy on Board Evaluation. The policy provides for evaluation of the Board, the Committees of the Board and individual Directors, including the Chairman of the Board. As per the 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. Your appointment and re-appointment on the Board shall be subject to the outcome of the yearly evaluation process.

11. Disclosure of Interest

The Company must include in its Annual Accounts, a note of any material interest that a Director may have in any transaction or arrangement that the Company has entered into. Such interest should be disclosed immediately and not later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record your interest appropriately and our records are updated. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.



12. 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. Continuation of your appointment is contingent on your getting elected by the shareholders in accordance with provisions of Companies Act, 2013 read with SEBI LODR Regulations and the Articles of Association of the Company, from time to time in force.
- c. 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.

13. Governing Law

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.

If you are willing to accept these terms of appointment relating to your appointment as a Non-executive Director of FAL, kindly confirm your acceptance of these terms by signing and returning to us the enclosed copy of this letter.

Yours sincerely
For and on behalf of Facor Alloys Ltd.



(R.K. Saraf)
Chairman & Managing Director
(DIN: 00006102)



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



(Mahendra Bhawanji Thaker)
(DIN: 00004263)

Date:

Place: