

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

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Sub: Appointment as Independent Director

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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.

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#### **4. Remuneration**

You shall be paid sitting fees for attending Board and Committee meetings as follows-

- Board Meeting – Rs. 10,000/- per meeting
- Committee Meeting – Rs. 10,000/- per meeting

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.

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## **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)

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**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.

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## **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;

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- (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.

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#### **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.

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- (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 one 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;
- (3) The meeting shall:
  - (a) review the performance of non-independent directors and the Board as a whole;



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(b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;

(c) 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.

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**MORGANITE CRUCIBLE (INDIA) LIMITED**

**WHISTLE BLOWER POLICY**

**APPROVED BY BOARD OF DIRECTORS IN ITS MEETING HELD ON  
22<sup>ND</sup> MAY, 2014**

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## **WHISTLE BLOWER POLICY**

### **PREFACE**

- a. The Morganite Crucible (India) Limited ("the Company") is always committed to undertake the business within an honest and ethical framework in order to maintain the trust and confidence of our customers, suppliers, business partners, investors, employees and the communities in which we work. Accordingly, this Whistle Blower Policy ("the Policy") has been formulated with a view to provide a mechanism for employees of the Company to raise concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc.
- b. Clause 49 of the Listing Agreement between listed companies and the Stock Exchanges amended on April 17, 2014, *inter-alia*, provides a vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's values or ethics policy.

### **POLICY STATEMENTS**

Each employee of the Company has a duty to act in an honest and ethical manner and in accordance with all applicable laws and regulations in their dealings on behalf of the Company and Morgan Group ("Morgan"). Employees should not seek competitive or other advantage through dishonest, corrupt, unlawful or anti-competitive business practices and should avoid situations where they could be compromised by a conflict of interest. Further guidance on areas covered by this Policy is as follows.

#### **i. Compliance with Laws and Regulations**

Employees must:

- Comply with the laws and regulations applicable to the Company; and
- Understand and act in accordance with all Morgan policies, manuals and procedures.

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## **ii. Integrity in Business**

Deceit, dishonesty or corruption is not acceptable in any of Morgan's business dealings. Morgan employees must not, directly or indirectly:

- Offer, pay, demand or accept a bribe in cash or equivalent;
- Be involved in any situation where there is a financial inducement (including excessive gifts, entertainment, donations or sponsorship) to influence a business decision; or
- Allow or permit an agent or intermediary to undertake any such action.

## **iii. Conflicts of Interest**

No employee shall engage in personal activities or pursue financial or business interests which might give rise to, or give the appearance of, a conflict of interest between themselves and their role in the conduct of Group business. Examples of conflicts of interest include;

- Any ownership or other interest in a supplier, competitor or customer; or
- Any outside business interest or activity which detracts from an individual's ability to devote appropriate time and attention to his or her Group responsibilities.

An employee must notify his or her line manager of all potential or actual conflicts of interest.

## **iv. Integrity in Financial Reporting**

All financial reports and accounting records must accurately reflect the relevant facts and the true nature of the underlying transaction. Timely and accurate information must be provided to the Company's auditors.

## **v. Integrity in Public Reporting and Disclosure**

Morgan endeavours to ensure that its public communications and disclosures are accurate in all material respects. Employees must not knowingly misrepresent facts about Morgan to others and are required to ensure that, to the extent appropriate to their area of responsibility, they review properly, and analyse critically, proposed public and regulatory disclosures.

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**vi. Policy Implementation, Applicability & Enforcement**

- Morgan's commitment to this Policy is considered as fundamental to its business success and this Policy must be implemented by all Morgan operations worldwide. The Company has systems of training, monitoring and accountability in place in order to reinforce the implementation of this Policy.
- The Company will take such disciplinary action as it deems appropriate in enforcing this Policy, up to, and including, dismissal.

**EXTERNAL/INTERNAL MONITORING & COMPLIANCE**

- Regulatory Authorities
- Internal Audit
- Annual self-certification requirements
- Ethics Hotline

**EXCEPTION/NON-COMPLIANCE REPORTING**

Employees and others should report any actual or suspected exceptions or breaches of the Group's policies and ethical principles or serious inappropriate behaviour by using a local channel or by contacting the Ethics Hotline *via* email, [morganplc@expolink.co.uk](mailto:morganplc@expolink.co.uk), *via* the internet [www.expolink.co.uk/whistleblowing-hotline/for-employees.htm](http://www.expolink.co.uk/whistleblowing-hotline/for-employees.htm) (Company code MORGAN C), or by phone on +44 1249 661 808 (alternative local free-phone numbers by country are available on the Group's intranet).

This is the Group's Ethics Hotline and managed through the Group's Ethics Hotline Policy.

**GUIDING PRINCIPLES OF THE POLICY**

The Company shall ensure -

- i. That the person is not victimized for reporting of any actual or suspected breach of this policy.
- ii. That to take appropriate action including initiating disciplinary action on such person(s)
- iii. Complete confidentiality

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- iv. Not attempt to conceal evidence of the reporting instances
- v. Take disciplinary action, if any one destroys or conceals evidence
- vi. Provide an opportunity of being heard to the persons involved especially to the subject

### **PROTECTION TO WHISTLEBLOWER**

- i. If someone raises a concern under this Policy, he/she will not be at risk of suffering any discrimination, reprisal, harassment or vengeance in any manner. Company's employee will not be at the risk of losing her/ his job or suffer loss in any other manner like transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistleblower's right to continue to perform his/her duties/functions including making further reporting of incidence, as a result of reporting under this Policy. The protection is available provided that:
  - ii. The communication/ disclosure is made in good faith
  - iii. He/She reasonably believes that information, and any allegations contained in it, are substantially true; and
  - iv. He/She is not acting for personal gain
  - v. Anyone who acts maliciously raising a concern knowing it to be untrue will be subject to disciplinary action, as will anyone who victimizes a colleague by raising a concern through this procedure. If considered appropriate or necessary, suitable legal actions may also be taken against such persons.
  - vi. However, no action will be taken against anyone who makes an allegation in good faith, reasonably believing it to be true, even if the allegation is not subsequently confirmed by the investigation.
  - vii. Any other Employee/business associate assisting in the said investigation shall also be protected to the same extent as the Whistleblower.

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