

BHUSHAN STEEL LIMITED



BHUSHAN

Corporate Office :

Bhushan Centre, Hyatt Regency Complex,
Bhikaji Cama Place, New Delhi - 110066
Tel. : 91-11-71194000 Fax : 91-11-46518611

12th December, 2016

To,

SMT. MONICA AGGARWAL
PLOT NO. 41,
INDUSTRIAL AREA- PHASE 1,
CHANDIGARH

Dear Madam,

Re: Appointment as an Additional Independent Woman Director

We are pleased to inform you that the Board of Directors have approved your appointment as an Additional Independent Woman Director of the Company in its meeting held on 12.12.2016. Your appointment is being formalised through this letter of appointment.

Appointment

Your appointment is subject to approval of shareholders at the next Annual General Meeting of the Company and you will not be liable to retire by rotation. Further your tenure is subject to your meeting the criteria for being independent Director and not being disqualified to be Director under the applicable regulations. 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 Companies Act 2013 and the SEBI(Listing Obligation and Disclosure Requirement) Regulations, 2015.

Role on the Board

You are expected to provide your expertise and experience in the functioning of the Board and the Committees of the Board, you may be nominated. In addition of the routine Board Meeting you should allow time for Committee meetings, preparatory work and travel and ensure that you are in a position to make the necessary overall time commitment.

You may be nominated on one or more committees of the Board and in such event you will be provided with the relevant Committee's terms of reference and any specific responsibilities.

Code of Conduct and Duties and Responsibilities

1. You will abide by Code of Business Conduct and Ethics applicable to Non-Executive Directors and business principles to the extent applicable to an Independent Director of the Company as set out separately in Annexure-1.
2. You will abide by the guidelines of professional conduct, role, function and duties as an Independent Directors provided in Schedule IV of the Companies Act, 2013, as set out at Annexure-2 hereto.
3. You are expected to stay updated on how best to discharge your roles, responsibilities, and duties and liabilities, as an Independent Director of the Company under applicable law, including keeping abreast of current changes and trends in economic, political, social, financial, legal and corporate governance practices.
4. You are expected to:
 - a. take decisions objectively and solely in the interests of the Company;
 - b. facilitate Company's adherence to high standards of ethics and corporate behaviour;
 - c. guide the Board in monitoring the effectiveness of the Company's governance practices and to recommend changes, required if any;
 - d. guide the Board in monitoring and managing potential conflicts of interest of Management, Board Members and Stakeholders, including misuse of corporate assets and abuse in related party transactions;

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- e. guide the Board in ensuring the integrity of the Company'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.

Performance Evaluation

Your reappointment or extension of term and your remuneration will be recommended by the Nomination and Remuneration Committee of the Board, pursuant to a performance evaluation carried out by the Board.

Remuneration

1. Your remuneration will be paid in the form of sitting fees for attending each meeting of the Board and its Committees as may be determined by the Board from time to time,
2. You will be entitled to reimbursement of expenses incurred by you in connection with attending the Board meetings, Board Committee meetings, general meetings.

Insurance

The Directors would be covered/ indemnified as per policy of the Company.

Prohibition on Insider Trading

You will follow Company's Policy on Insider information and the requirements under the Companies Act, 2013 and SEBI Regulations, which inter-alia requires that price-sensitive information is not used or transmitted and maintained securely. You should not make any statements that might risk a breach of these requirements.

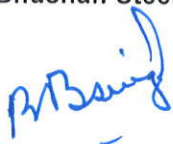
General

You will have access to confidential information, whether or not the information is marked or designated as "confidential" or "proprietary", relating to the Company and its business including legal, financial, technical, commercial, marketing and business related records, data, documents, reports, etc., client information, intellectual property rights (including trade secrets), ("Confidential Information"). You shall use reasonable efforts to keep confidential and to not disclose to any third party, such Confidential Information.

If any Confidential Information is required to be disclosed by you in response to any summons or in connection with any litigation, or in order to comply with any applicable law, order, regulation or ruling, then any such disclosure should be, to the extent possible, with the prior consent of the Board.

Please confirm your acceptance by signing, dating, and returning a copy of this letter to the Company.

Yours faithfully,
for Bhushan Steel Limited



CHAIRMAN

Bhushan Steel Limited
Code of Business Conduct and Ethics
(Effective from 1st day of April 2014)

Preamble

This Code of Conduct ("Code" hereinafter) has been adopted by the Board of Directors of the Company as a set of standards, values and guidelines for Directors and Senior Management personnel of the company so as to promote ethical behaviour and provide guidance to help them recognize and deal with ethical issues in pursuit of company's goals and objectives from time to time.

The Code is not exhaustive and does not cover every issue that may arise or every situation where ethical decisions must be made rather set forth broad guiding principles to deal with them.

Applicability

This Code of conduct is applicable to all

- Directors;
- Functional Heads;
- senior executives
- any other employee or officer of the company who has the opportunity to materially influence the integrity, strategy and operation of the business and financial performance of the company

The Code shall come into effect with effect from 1st day of April, 2014 and each and every person to whom the provisions of this Code extends or applies shall sign the acknowledgement form at the end of this Code and return the same as a token of having received, read and understood and having agreed to comply and adhere to the provisions of this Code.

As required under the Listing Agreement, each year as part of annual review, all employees, officers to whom the code applies and directors would be required to sign an acknowledgement indicating their continued adherence to the provisions of this Code.

Conflicts of Interest

All Directors and the employees to whom this Code applies shall conduct themselves in an honest and ethical manner and act in the best interest of the company and shall endeavour to avoid actual or apparent conflicts of interest with that of the Company in personal and professional relationships.

Generally, a conflict of interest occurs when a director's/employee's personal interest interferes or has the potential to interfere, or appears to interfere materially with the interests or business of the Company; or the ability of the director/employee to carry out his or her duties and responsibilities objectively and effectively.

Although it would not be possible to visualize and enumerate here each and every situation in which a conflict of interest may arise, the following situations illustrates where conflict of interest arises:

- Working, in any capacity, for a competitor, customer, supplier or other third party while employed by the company.
- Accepting gifts of more than modest value or receiving personal and exclusive discounts (if such discounts are not generally offered to the public) or other benefits as a result of the position in the company from a competitor, customer or supplier.
- Having an interest in a transaction involving the company, a competitor, customer or supplier (other than as an employee, officer or director of the Company and not including routine investments in publicly traded companies).
- Receiving a loan or guarantee of an obligation as a result of the position with the company.
- Directing business to a supplier owned or managed by, or which employs, a relative or friend.

In the event that an actual or apparent conflict of interest arises between the personal and professional relationship or activities of an employee, officer or director, the employee, officer or director involved is required to handle such conflict of interest in an ethical manner in accordance with the provisions of this Code.

Duties of Independent Directors

Independent Directors are required to perform their duties in a professional and faithful manner for promoting the confidence of the investment community, particularly minority shareholders, regulators etc. Companies Act 2013 has pointed out following duties and responsibilities of Independent directors:

- a. To undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- b. To 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;
- c. To strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- d. To participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- e. To strive to attend the general meetings of the company;
- f. 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;
- g. To keep themselves well informed about the company and the external environment in which it operates;
- h. Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;

- i. To 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;
- j. To 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;
- k. To report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- l. Acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- m. Not to 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.

Corporate Opportunities

In carrying out their duties and responsibilities, directors and the employees to whom this Code applies, should endeavour to advance the legitimate interests of the Company when the opportunity to do so arises. Accordingly they should avoid: (a) taking for themselves personally opportunities that are discovered in carrying out their duties and responsibilities to the Company; (b) using Company property or information, or their position for personal gain; and (c) competing with the Company, in each of the foregoing cases, to the material detriment of the Company.

Fair Dealing

Each person to whom this Code applies shall deal fairly with customers, suppliers, competitors, the public and one another at all times and in accordance with ethical business practices. No one should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice. No payment in any form shall be made directly or indirectly to or for anyone for the purpose of obtaining or retaining business or obtaining any other favourable action.

Occasional business gifts to and entertainment of non-employees in connection with business discussions or the development of business relationships are generally deemed appropriate in the conduct of the Company's business. However, extending of such gifts should be infrequent and their value should be modest. Gifts or entertainment in any form that would likely result in a feeling or expectation of personal obligation should not be extended or accepted.

Protection and Proper Use of Company's Assets

It is the duty and responsibility of each person to whom the provisions of this Code extend, to protect company's assets and resources from any loss, theft or misuse. Any suspected loss, misuse or theft should be promptly brought to the notice of the higher management for taking appropriate action. The company's

assets and resources shall be applied and used only for the legitimate business purposes of the company.

Legal Compliances

The Company is committed to conduct its business operations with integrity and in full compliances of all legal and regulatory requirements. Accordingly no employee, officer or director of the company shall commit an illegal or unethical act or instruct others to do so for any reason.

Trading on Inside Information

Using non-public information to trade in securities of the company, or providing a family member, friend or any other person with a "tip", is illegal. All non-public information should be considered inside information and should never be used for personal gain.

The Board of Directors of the company has already put in place a Code of Conduct for Prevention of Insider Trading, copies of which have been circulated/distributed to all applicable employees, officers and directors. Accordingly all the Officers, employees and directors shall continue to adhere and follow the provisions of the said Code as amended by the Board from time to time.

Confidentiality

All persons to whom this Code applies should observe the confidentiality of information that they acquire in carrying out their duties and responsibilities, except where disclosure is approved by the Company or legally mandated. Confidential information includes, but is not limited to, all non-public information that might be of use to competitors, or harmful to the Company or its customers, if disclosed. Of special sensitivity is financial information, which should under all circumstances be considered confidential.

Compliance with this Code and Reporting of any illegal or unethical behaviour.

It is the responsibility of each employee, officers and directors to whom this Code applies to strictly adhere and comply with the guiding principles and provisions contained herein and to report to appropriate higher authorities, Audit Committee or Board of Directors as the case may be, as and when any instance of violations or unethical conduct is noticed.

Waivers and Amendments

Any waiver of, or amendment to, the requirements of this Code may only be authorised by the Board of Directors, and will be subject to public disclosure to the extent required by law or the listing standards/requirement.

Annexure 2

Guidelines of professional conduct, Role, Function and Duties as an Independent Director (As provided in Schedule IV of the Companies Act, 2013) Guidelines for Professional conduct:

1. To uphold ethical standards of integrity and probity;
2. To act objectively and constructively while exercising your duties;
3. To exercise their responsibilities in a bona fide manner in the interest of the Company;
4. To devote sufficient time and attention towards your professional obligations for informed and balanced decision making;
5. To not allow any extraneous considerations that will 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;
6. To 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;
7. To refrain from any action that would lead to loss of their independence, where circumstances arise which make an independent Director lose his independence, the independent Director must immediately inform the Board accordingly;
8. To assist the Company in implementing the best corporate governance practices.

Role and functions:

1. Assist 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 yourself on the integrity of financial information and that financial controls and 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.

Duties:

1. Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.
2. Undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the Company.
3. 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.
4. Strive to attend all meetings of the Board including a Separate meeting of the independent director and of the Board committees of which you are a member.
5. Participate constructively and actively in the committees of the Board in which you are chairperson or member.
6. Strive to attend the general meetings of the Company.
7. Where you 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 your concerns are recorded in the minutes of the Board meeting.
8. Keep yourself well informed about the Company and the external environment in which it operates.
9. Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board.
10. Pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure yourself that the same are in the interest of the Company.
11. 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.
12. Report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.
13. Acting within your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees.
14. 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.

BRIEF PROFILE: SMT. MONICA AGGARWAL

Smt. Monica Aggarwal is an Additional Independent Woman Director of Bhushan Steel Limited. She fulfills all the conditions of a Independent Director pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013. Earlier she joined the Board on 03.09.2016 as an additional independent woman director, however her tenure expired at the date of 33rd Annual General Meeting of the Company held on 17.09.2016.

She is having Bachelor of Arts degree in English. She is having 20 years of rich experience in Administrative as well as CSR matters. Before joining the Board of the Company she holds directorship in the following Companies:

1. Kuldeep Engineering Industries Ltd. (Since January 2005)
2. Ranjit Theaters Private Limited (Since October 2004)