



GUJARAT BOROSIL LIMITED

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CIN : L26100GJ1988PLC011663

8th August, 2014

Mr. Shashi Kumar Mehra
601, Everest Raheja Complex,
7, Bungalows,
Andheri (West),
Mumbai – 400 058

Dear Mr. Mehra,

Subject: Appointment Letter for the position of an Independent Director of the Company and Member of Audit Committee & Nomination and Remuneration Committee.

We are hereby pleased to offer you position of an 'Independent Director', on the Board of Directors of our Company as approved by the shareholders of the Company at the 25th AGM of the Company held today i.e. 08/08/2014 on the following Terms & Conditions:

1. Your term shall be for a period upto 31/03/2019
2. i. The expectation of the Board from you is to-
 - Act objectively and constructively while exercising your duties;
 - Devote sufficient time and attention to your professional obligations for informed and balanced decision making;
 - Assist the Company in implementing the best Corporate Governance practices;
 - Help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, key appointments and standards of conduct;
 - Bring an objective view in the evaluation of the performance of Board and Management;
 - Scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
 - Undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the Company;
 - Seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion experts at the expense of the Company;
 - Strive to attend all meetings of the Board of Directors and of the Board Committees of which you are a member;
 - Strive to attend the general meetings of the Company;

- 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 the concerns are recorded in the minutes of the Board Meeting;
- keep yourself well informed about the Company and the external environment in which it operates;
- Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.
- Participate constructively and actively in the committee of the Board in which you are chairperson or member

ii. Expectation from the Committee Members

Audit Committee:

- Satisfy yourself on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- 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;
- 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;

Nomination and Remuneration Committee:

- 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;
- Acting within authority, assist in protecting the legitimate interests of the Company, shareholders and its employees.

3. Fiduciary duties:

- Uphold ethical standards of integrity and probity;
- Exercise your responsibilities in a bona fide manner in the interest of the Company;
- Where circumstances arise which make an Independent Director lose his independence, the Independent Director must immediately inform the Board accordingly;
- Report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

4. The Company has taken a composite Directors & Officers Insurance policy.

5. Copy of Code of Business Ethics has been attached for your adherence.

6. While acting as an Independent Director of the Company you shall :

- Not allow any extraneous considerations that will vitiate your 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;
- Not abuse the 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 associate person;
- Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 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;
- Refrain from any action that would lead to loss of your independence;

7. Fees:

You shall be entitled to payment of fees for attending each Board and Committee Meetings as decided by the Board of Directors, within the limit prescribed under the Rules made under the Companies Act, 2013:

The present sitting fees structure per meeting is as follows, which can be amended by the Board from time to time :

Board Meeting: Rs. 20,000

Audit Committee Meeting: Rs. 10,000

Nomination and Remuneration Committee Meeting: Rs. 10,000

Reimbursement of Expenses:

You will be entitled for reimbursement of actual expenses in connection with attending board and committee meetings. In addition, if you are travelling on Company's business, as permitted by the Board, you shall be entitled for travelling and lodging expenses on actual basis.

Yours Sincerely
For Gujarat Borosil Limited



B.L. Kheruka
Director

GUJARAT BOROSIL LIMITED (GBL)

PREAMBLE

This code of business ethics has been designed which the company expects to be followed by all directors & by employees in the course of employment with us.

This would help in establishing appropriate behavioral norms for the employees primarily focusing on discipline, self-control, professionalism and best ethical practices. It aims at creating and building employees core values, determining best-in-class practices and establishing centers of excellence in the Company.

APPLICABILITY

This code of business ethics shall be applicable to:

1. All directors of the Company
2. All employees, Officers and Trainees including Retainers.

Code of Business Ethics as applicable to Directors:

He/She shall:

1. Uphold ethical standards of integrity and probity;
2. Exercise their responsibilities in a bona fide manner in the interest of the Company;
3. Assist the Company in implementing the best Corporate Governance practices;
4. Ensure that all concerns about the running of the Company or a proposed action, are addressed by the Board and, to the extent that they are not resolved, insist that the concerns are recorded in the minutes of the Board Meeting;
5. Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.
6. Immediately inform the Board if circumstances arise which make him lose his independence;
7. Report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.
8. Not allow any extraneous considerations to 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;
9. Not abuse the 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 associate person;
10. Not unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
11. 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;
12. Refrain from any action that would lead to loss of his independence; Shall not subscribe, buy, sell deal or agree to subscribe for any securities, if such Director is reasonably expected to have access to any non-public/unpublished price sensitive information in respect of securities of the Company.

CODE OF BUSINESS ETHICS:



For this purpose "price sensitive information" means any information which relates, directly or indirectly, to a company and which if published is likely to materially affect the price of securities of the Company.

1. Code of Business Ethics as applicable to all Employees:

Every employee shall abide by the ethics incorporated herein and shall observe, comply with and obey all lawful orders and directions that may be given from time to time in the course of employment by his / her superiors / departmental heads.

CONDUCT RULES

Every employee shall devote his / her time and efforts towards the furtherance of business of the Company with highest degree of morality and integrity and continuously strive for improvement in its productivity and profitability.

OBLIGATION TO MAINTAIN SECRECY

All employees are required to maintain strictest secrecy regarding the Company's affairs and shall not divulge (either during the course of employment or thereafter) or disclose to any person whatsoever or make any use whatsoever for their own purpose or for any purpose other than that of the Company of any information or knowledge obtained by them during their employment as to the business or affairs of the Company or its methods or as to any trade secrets, or secret process of the company. They shall also endeavor to prevent any other person from doing so.

No photography/videography within Company's manufacturing/distribution facilities is allowed without express written approval by the Management.

Not to divulge to third parties/consultants Company's business/employees strategy without express written approval of the Management.

EMPLOYEES TO PROMOTE COMPANY'S INTEREST

All employees shall serve the Company honestly, faithfully and diligently and shall endeavor to promote the interest of the Company and shall be courteous in dealings with subordinates as well as with customers/vendors.

PARTICIPATION IN POLITICS

No employees shall take part in any political demonstration. Neither shall they participate in any demonstration which would incite an offence as described in "The Indian Penal Code" or any other law for the time being in force.

EMPLOYEE NOT TO JOIN OR FORM AN ASSOCIATION

No employee shall join or form an association, the objectives or activities of which are prejudicial to the interest of the Company. In the event any such employee is found to join such association or attempts to form such association would be liable for termination of his / her employment without any notice.

DEALINGS WITH THE PRESS

No employees shall communicate to the Press anything relating to the affairs of the Company or publish any paper in any journal/magazine without the prior approval/sanction of the management. They shall not participate in or get associated with any Radio / Television broadcast or in publication or in

communication to the Press or publish speeches / utterances without prior approval of the management.

DEVELOPMENT OF PATENTS

No employee shall acquire any patent rights of any products / goods / processes which he / she develops during the course of his / her employment with the company. Any such patent or process improvement becomes the property of the company and the concerned employee cannot claim any rights, whatsoever. All know-how which the employee acquires as a result of research and development activity shall pass on to the company and will be the property of the company.

EMPLOYEES NOT TO SEEK OUTSIDE EMPLOYMENT

All employees are whole time employees of the company. No employee, except with the written permission of the management, can engage directly or indirectly in any trade or business or undertake any other employment or consultancy or undertake such trade / business on behalf of anyone else either with or without remuneration, during the course of his / her employment with the company. However, they may, without prior approval, undertake honorary work of social charitable or religious nature or occasional work of literary artistic nature provided that such work does not interfere with the performance of their duties.

EQUAL OPPORTUNITIES TO EMPLOYEES

GBL shall provide equal opportunities to all its employees and all qualified applicants for employment without regards to their race, caste, religion colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin or disability.

Human resources policies shall promote diversity and equality in the work place, as well as compliance with all local labour laws, while encouraging the adoption of international best practices.

Employees of GBL shall be treated with dignity and in accordance with the GBL policy of maintaining a work environment free of all forms of harassment, whether physical, verbal or psychological.

Employee policies and practices shall be administered in a manner consistent with applicable laws and other provisions of this Code, respect for the right to privacy and the right to be heard, and that in all matters equal opportunity is provided to those eligible and decisions are based on merits.

EMPLOYEES NOT TO TAKE ANY GIFTS EXCEPT OF NOMINAL VALUE

Employees of GBL shall neither receive nor offer or directly/indirectly make or receive gifts either in cash or kind from/to any supplier / dealer / customer or any other person/entity connected with the business of the Company, in India or abroad. This will, however, exclude new year / festival gift of nominal value not exceeding Rs. 1000/- and gifts of food/edible items which are customary in nature or associated with festivals and will include provision of free transport, boarding lodging or any other service or facility to the employee or his / her family /relative / friends, whether specifically requested for or otherwise in India or abroad. Interpretation of what constitutes nominal value in this regard shall be revised at the discretion of the management and the same shall be final and binding on the employee.

DEALINGS WITH COMPANIES SUPPLIERS / DEALERS /CUSTOMERS

No employee shall either directly or through any other person or relation, be associated with either any supplier of goods / materials/ services to the company. Similarly no employee shall have either directly or

CODE OF BUSINESS ETHICS:

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indirectly any business arrangement-outside the limits of the company's dealings or use his / her position for any personal benefits to any friend / relation with / for any of the company's customers / agents / suppliers. No employee shall have either directly or indirectly any business relationships with company's present suppliers of goods / material/ services (including consultants) and customers and undertake to dissociate themselves for such suppliers / customers as and when directed to do so by the management. If in future there is likelihood of any conflict of interests on this account, prior written approval of the Managing Director shall be necessary and the decision of the Managing Director shall be final and binding.

INSIDER TRADING

No Employee of the Company shall subscribe, buy, sell, deal or agree to subscribe any securities, if such Employee is reasonably expected to have access to any non-public price sensitive information in respect of securities of the Company. For this purpose "price sensitive information" means any information which relates, directly or indirectly, to a company and which if published is likely to materially affect the price of securities of the Company.

CONSUMPTION OF ALCOHOLIC DRINKS / DRUGS

It is GBL Company's desire to provide a drug-free, healthy, and safe workplace. To promote this goal, employees are required to report to work in appropriate mental and physical condition to perform their jobs in a satisfactory manner.

While on GBL Company premises and while conducting business-related activities off GBL Company premises, no employee may use, possess, distribute, sell, or be under the influence of alcohol or illegal drugs. The legal use of drugs as prescribed by a qualified medical practitioner is permitted on the job only if it does not impair an employee's ability to perform the essential functions of the job effectively and in a safe manner that does not endanger other individuals in the workplace.

Violations of this policy may lead to disciplinary action, up to and including immediate termination of employment, and/or required participation in a substance abuse rehabilitation or treatment program. Such violations may also have legal consequences.

Employees with questions or concerns about substance dependency or abuse are encouraged to discuss these matters with their supervisor or the Human Resources Department to receive assistance or referrals to appropriate resources in the community. Employees with questions on this policy or issues related to drug or alcohol use in the workplace should raise their concerns with their supervisor or the Human Resources Department without fear of reprisal.

COMPANY ASSETS

The assets of GBL Company shall not be misused; they shall be employed primarily and judiciously for the purpose of conducting the business for which they are duly authorized. These include tangible assets such as equipment and machinery, systems, facilities, materials and resources, as well as intangible assets such as information technology and systems, proprietary information, intellectual property, and relationships with customers and suppliers.

