

LETTER OF APPOINTMENT

Date: September 26, 2014

To,
Name of the Director
Address

Dear Sir,

Re: Your appointment as an Independent Director of Ashok Alco-Chem Limited.

We are pleased to advise you that at the 22nd Annual General Meeting held on September 26, 2014, shareholders have approved your appointment as an Independent Director of the Company to hold office for five consecutive years from September 26, 2014 upto September 25, 2019.

A. Preliminary

Your appointment is subject to the following:

1. You will submit a declaration in the beginning of every financial year under section 149 (7) of the Act during your tenure stating that you meet the criteria of independence.
2. So long as you are 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 and the listing agreement.
3. So long as you are 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.
4. You will ensure compliance with other provisions of the Act and the listing agreement as applicable to you as an independent director.

B. Term

Your appointment is for a term of 5 years commencing from September 26, 2014 to September 25, 2019.

C. Committees

You have been appointed on the following committees of the Board:

- (a)
- (b)

D. Code of Conduct and Duties and Responsibilities

1. You will abide by the Code of Ethics 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 director as provided in Schedule IV of the Companies Act, 2013 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:
 - (i) take decisions objectively and solely in the interests of the Company;
 - (ii) facilitate Company's adherence to high standards of ethics and corporate behavior;
 - (iii) guide the Board in monitoring the effectiveness of the Company's governance practices and to recommend changes, required if any;
 - (iv) 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;
 - (v) 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.

E. Performance Evaluation

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

F. Remuneration

1. You will be entitled 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 and in relation to the business of the Company towards hotel accommodation, travelling and other out-of-pocket expenses.
3. Pursuant to applicable law, you will not be entitled to any stock options.

G. Insurance

The Company will take an appropriate Directors' and Officers' Liability Insurance Policy and pay premium for the same. It is intended to maintain such insurance cover for the term of your appointment, subject to the terms of such policy in force from time to time. A copy of the policy document will be supplied on request.

H. Miscellaneous

1. 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,

Whole Time Director
Ashok Alco-Chem Limited

Agreed and Accepted

[Director]

CODE OF BUSINESS CONDUCT AND ETHICS

INTRODUCTION

Commitment to ethical professional conduct is obligatory for every employee of the Company in all of its businesses/ branches/ units/ divisions/ subsidiaries. This Code of Business Conduct and Ethics, consisting of imperatives formulated as statements of personal responsibility, identifies the elements of such a commitment. It also helps ensure compliance with legal requirements and other standards of business conduct.

This code is applicable to the Board Members, Senior Management and all employees in and above Officers level {hereinafter collectively referred to as “Employee(s)”} of Ashok Alco-Chem Limited.

All the employee(s) are expected to read and understand this Code and ensure to abide by as also to comply with all applicable policies and procedures and uphold these standards in day-to-day activities.

We are committed to continuously reviewing and updating our policies and procedures. Therefore, this Code of Business Conduct and Ethics is subject to modification and may be updated from time to time.

It is understood that some words and phrases in a code of conduct and ethics document are subject to varying interpretations and that any ethical principle may conflict with other ethical principles in specific situations. Questions related to ethical conflicts can best be answered by thoughtful consideration of fundamental principles rather than reliance on detailed regulations. In case of conflict, the decision of the Board shall be final.

Further, the Board / Company appoint the Company Secretary as a Compliance Officer of the purposes of the Code, who will be available to all employees, agents and contractors to answer questions and to help them comply with the Code.

YOUR RESPONSIBILITIES TO THE COMPANY AND ITS STAKEHOLDERS

The Company expects all employees, agents and contractors to -

- exercise good judgment to ensure the safety and welfare of others and themselves,
- maintain a co-operative, efficient, positive, harmonious and productive work environment and business organization.

These standards apply while working on our premises, at off-site locations where our business is being conducted, at Company sponsored business and social events or at any other place where you are a representative of the Company.

Honesty and Integrity

All of us are expected not to make deliberately false or deceptive claims about our products/ brands/services, but instead provide full disclosure of all pertinent limitations and problems and act in good faith, responsibility with due care, competence and diligence without allowing our independent judgement to be subordinated. All the employee(s) are supposed to be committed to the achievement of business success with honesty, integrity and fairness.

Honor Confidentiality

The Company's confidential information is a valuable Asset. Any information concerning the Company's business, its customers, suppliers, collaborators, partners, system providers, etc., which is not in the public domain and to which the employee, agent, contractor has access to or possesses such information, must be considered confidential and held in confidence unless otherwise authorized to do so and when disclosure is required as a matter of law. The ethical concern is to respect all obligations of confidentiality to all stakeholders unless discharged from such obligations by requirements of law or other principles of this code.

Workplace free of Harassment and Discrimination

The Company is committed to providing a work environment free of unlawful harassment and prohibits sexual harassment; harassment and discrimination based on pregnancy, childbirth or related medical conditions, race, religious creed, color, national origin, ancestry, physical or mental disability, medical condition, marital status, age, sexual orientation, or any other basis protected by any applicable law, rules or regulations. It also prohibits unlawful harassment based on the perception that anyone has any of these characteristics, or is associated with a person who has or is perceived as having any of these characteristics.

The values of equality, tolerance, respect for others and the principles of equal justice govern this imperative.

Know and respect existing and applicable laws

All the Company employees, agents and contractors must comply with all the existing and applicable laws, regulations, rules and regulatory orders both in letter and spirit. Each employee must acquire appropriate knowledge of the requirements related to his/her duties, sufficient to enable him/her to recognize potential dangers and to know when to seek professional help/advice.

Acquire and maintain professional competence

Excellence depends on individuals who take responsibility for acquiring and maintaining professional competence by professional reviewing, critiquing etc. We must practice in setting standards for appropriate levels of competence and strive to achieve those standards.

Conflict of Interest

Though the employee(s), agents, contractors of the Company have a responsibility to the Company, its stockholders and each other, it does not prevent anyone from

engaging in personal transactions and investments but does demand, avoidance of situations where a conflict of interest might occur or appear to occur.

A conflict of interest, actual or potential, may arise where, directly or indirectly:

- Employee(s), agents, contractors of the Company engages in a business, relationship or activity with anyone who is a party to a transaction with his or her Company;
- Employee(s), agent, contractor of the Company is in a position to derive a personal benefit or a benefit to any of his /her relatives by making or influencing decisions relating to any transaction;
- Independent judgment for the Company's best interest cannot be exercised.

The main areas of such actual or potential conflicts of interests would include the following:

- ❖ Financial interest of an employee, agent, contractor of the Company or his relatives, including the holding of an investment in the subscribed share capital of any company or a share in any firm which is actual or potential competitor, supplier, customer, distributor, joint venture or other alliance partner of Ashok Alco-Chem Limited. (The ownership of up to 1% of the subscribed capital of a publicly held company shall not ordinarily constitute a financial interest for this purpose.)
- ❖ An employee, agent, contractor of Ashok Alco-Chem Limited conducting business on behalf of his/her company, or being in a position to influence a decision with regard to his/her company's business with a supplier or customer of which his/her relative is a principal officer or representative, resulting in a benefit to him/her or his/her relative.
- ❖ Award of benefits such as increase in salary or other remuneration, posting, promotion, or recruitment of a relative of an employee, agent, contractor of Ashok Alco-Chem Limited, where such an individual is in a position to influence the decision with regard to such benefits.
- ❖ Acceptance of gifts, donations, hospitality and/or entertainment beyond the customary level from the existing or potential customers or other third parties which have business dealings with the company.
- ❖ Notwithstanding that such or other instances of conflict of interest exist due to any historical reasons, adequate and full disclosure by the interested employee(s), agents, contractors, should be made to the Company's management. It is also incumbent upon every employee, agent, and contractor to make a full disclosure of any interest, which the employee, agent, and contractor or their immediate family, may have in a company, or firm, which is a supplier, customer, and distributor of or has other business dealings with his company.

Everyone who is required to make a disclosure as mentioned above shall do so, in writing, to his/her immediate boss, who shall forward the information along with comments to the Board of Directors for their consideration.

If the employee, agent, contractor fails to make appropriate disclosure as required herein, and the management of its own accord becomes aware of an instance of conflict of interest that ought to have been disclosed, the management would take a serious view of the matter and consider suitable disciplinary action.

Employee(s) will not exploit for their own personal gain opportunities that are discovered through the use of corporate property, information or position unless the opportunity is disclosed fully in writing to the Company's Board of Directors and the Board of Directors declines to pursue such opportunity. Neither directly nor through family and other connections indirectly, should the employee(s), solicit any personal fee, commission or other form of remuneration including benefits of significant value arising out of any transaction / business / activity involving Company. Nominal gifts of commemorative nature, for special events may be accepted and reported to the Board.

Obligations under 'Insider' trading and being accountable to stakeholders

In the normal course of business, employee(s), agents, contractors, associates, consultants and other connected persons of the Company may come into possession of significant, price sensitive information not in public domain. This information is the property of the Company. Employee(s), agents, contractors, associates; consultants and other connected persons of the Company shall not profit from trading in Company's securities using this price sensitive information. Further, employee(s) shall not tip others in this regard to enable them to profit or from them to profit.

All employees, agents, contractors shall comply with Insider Trading Guidelines as issued by SEBI and prevention of Insider Trading Code as issued by the Company.

Usage and Protection of Company's Assets and Properties

Protecting the Company's assets is a key responsibility of every employee, agent and contractor. Employee(s) are perceived as trustees of Company's properties, funds and other assets and therefore, must, safeguard and protect the Company's assets against misappropriation, loss, damage, theft, etc. and avoid selling, loaning or donating them to others without proper authorization, by putting in place proper internal control systems and procedures and effectively insuring the same against any probable fire, theft, burglary, fidelity and other risk.

Maintaining and Managing Records

Applicable laws, rules and regulations require the Company to retain certain records and to follow specific guidelines in managing its records. Records include paper documents, computer hard disks, CD's, electronic mails, floppy disks, microfiche, microfilm or all other media.

Civil and criminal penalties for failure to comply with such guidelines can be severe for employee(s), agents, contractors and the Company.

Acknowledgement of receipt of Code of Business Conduct and Ethics

I have received and read the Company's Code of Conduct and Ethics. I understand the standards and policies contained in the code and also understand that there may be

additional laws, policies, and rules specific to my job. I further agree to comply with the Company's Code of Conduct and Ethics.

If I have questions concerning the meaning or application of the Company Code of Business Conduct and Ethics, any Company policy or the legal and regulatory requirements applicable to my job, I know I can consult my immediate boss, the Human Resources Department or the Compliance Officer, knowing that my questions or reports to these sources will be maintained in confidence.

- *Adherence to a code of ethics is largely a voluntary matter. However, if any employee(s), agent, contractor fail to follow this code by engaging in process misconduct, the matter would be reviewed by the Board of Directors and its decision shall be final. The Company reserves the right to take appropriate civil and/ or criminal action against the guilty employee.*

Annexure 2

Guidelines of professional conduct, Role, Function and Duties as an independent director (As provided in Schedule IV of the Companies Act)

Guidelines for Professional conduct:

1. uphold ethical standards of integrity and probity;
2. act objectively and constructively while exercising their duties;
3. exercise their responsibilities in a bona fide manner in the interest of the Company;
4. devote sufficient time and attention to their professional obligations for informed and balanced decision making;
5. 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. 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. refrain from any action that would lead to loss of their 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.

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 behaviour, 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.