

APPOINTMENT LETTER

GESL/2019-20/

Date: 05.09.2019

To,
Shri/Smt.
.....
.....

Sub: Appointment as Independent Director

Dear Sir/Ma'am,

We are pleased to inform you that the shareholders of the Company in their Annual General Meeting held on (*) have appointed you as an Non- Executive Independent Director of the Company.

This letter sets out the terms of your appointment as an Independent Director. Your relationship with the Company will be that of an office-holder and not one of contract for employment in the Company.

The terms of your appointment, as set out in this letter, are subject to the extant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) and Articles of Association of the Company.

1. Appointment

Your appointment will be for a consecutive term of (*) years with effect from (*), unless terminated or extended earlier, as per the provisions of this letter or applicable laws.

As an Independent Director you will not be liable to retire by rotation.

Re-appointment, if any, at the end of the Term shall be based on the recommendation of the Nomination and Remuneration Committee of the Board and subject to the approval of the Board and the shareholders. Your re-appointment would be considered by the Board based on the outcome of the performance evaluation process and you continuing to meet the independence criteria.

2. Time Commitments:

As an Independent Director, you will be expected to devote such time as is necessary for the proper

performance of your duties as an Independent Director. You should strive to attend all the meetings of the Board and/ or Committees of the Board to which you may be appointed and Shareholders Meeting(s). As an Independent Director you should strive to attend at least one meeting of the Independent Directors in a year.

3. Membership of Committees:

The Board of Directors may appoint you as Member/ Chairman of one or more of its Committees which will be covered in a separate communication setting out the relevant committee's terms of reference and any specific responsibilities.

4. Role, duties and responsibilities:

Your role and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

You shall abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Companies Act, 2013 and duties of Directors as provided in section 166 of the Companies Act, 2013 and in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. For your ready reference, the relevant provisions have been extracted and attached to this letter as Annexure.

You will also be responsible for providing guidance in the area of your expertise.

5. Code of Conduct:

In terms of Regulation 17 and 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, you will also be abide by the Code of Conduct of the Company and shall affirm compliance with the code on an annual basis.

We would also like to draw your attention to the applicability of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Codes of Conduct of the Company formulated under these Regulations.

Additionally, you shall not participate in any business activity which might impede the application of your independent judgment in the best interest of the Company.

6. Remuneration:

You will be paid such remuneration by way of sitting fees for attending the meetings of the Board and its Committee(s) as may be decided by the Board. 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.

Presently, the Non-Executive Directors (NEDs) are paid sitting fees at the rate of Rs. 5,000/- per

meeting for attending every Board Meeting as well as Audit Committee Meeting. NEDs are also paid commission upto 1% on the net profits of the Company, as approved by the Members at their 28th Annual General Meeting held on September 25, 2017. The distribution of such commission amongst the NEDs is determined by the Board on the basis of their attendance and contribution at the Board (subject to maximum limit of Rs. 5,00,000/- p.a. for each such Director).

Reimbursement of Expenses:

In addition to the remuneration described above, the Company will, for the period of your appointment, reimburse you for travel, hotel and other incidental expenses incurred by you in the performance of your role and duties.

7. Disclosures, other directorships and business interests:

During the term, you agree to promptly notify the Company of any change in your directorships and provide such other disclosures and information as may be required under the applicable laws. You also agree that upon becoming aware of any potential conflict of interest with your position as Independent Director of the Company, you shall promptly disclose the same to the Company Secretary.

During the term, you agree to promptly provide a declaration under section 149(7) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, upon any change in circumstances which may affect your status as an Independent Director.

8. Termination:

Notwithstanding other provisions of this letter, the appointment may be terminated in accordance with the provisions of the Articles of Association of the Company or on failure to meet the parameters of independence as defined in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or on the occurrence of any event as defined in Section 167 of the Companies Act, 2013.

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. The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by you in the notice, whichever is later. In terms of provisions of the Companies Act, 2013, you may file a copy of your resignation letter with Registrar of Companies, Uttar Pradesh.

Upon termination or upon your resignation for any reason, duly intimated to the Company, you will not be entitled to any compensation for loss of office.

9. General:

In line with provisions of Schedule IV to the Companies Act, 2013 and Regulation 46 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company will make public the terms and conditions of your appointment and will also arrange for it to be displayed on the Company's website.

The terms of your appointment are subject to the provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Articles of Association of the Company and other laws as may be applicable from time to time. In case of any inconsistency between the statutory provisions and the terms as provided herein, the statutory provisions will prevail over the contents of this letter and it shall stand amended automatically to that extent.

Yours sincerely,
For **Ganesha Ecosphere Ltd.**

(Shyam Sunder Sharmma)
Chairman

I have read and agree to the above terms regarding my appointment as an Independent Director of Ganesha Ecosphere Ltd.

(.....)
Independent Director
(DIN.:)

Date:

Relevant extracts from the Companies Act, 2013

Section 166, Duties of Directors:

- (1) Subject to the provisions of this Act, a director of a company shall act in accordance with the articles of the company.
- (2) A director of a company 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 interests of the company, its employees, the shareholders, the community and for the protection of environment.
- (3) A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (4) A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- (5) A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
- (6) A director of a company shall not assign his office and any assignment so made shall be void.
- (7) If a director of the company contravenes the provisions of this section such director shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.

Relevant extracts from Schedule IV to the Companies Act, 2013

Code for Independent Directors:

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.

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;
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 their 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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