

TERMS AND CONDITIONS OF THE APPOINTMENT OF INDEPENDENT DIRECTORS

The terms of the appointment of Independent Directors, as set out in the separate letters of appointments forwarded to all the Independent Directors, are subject to the extant provisions of the:

- i. Applicable laws, including Section 149 of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules 2014, and Schedule IV of the Companies Act, 2013 and;
- ii. Articles of Association of the Company

1. Appointment:

- a. The appointment as a non-executive Independent Director on the Board of Directors (Board) of M/s. **GSEC Limited** will be for five consecutive years for a term up to 14th September, 2019 unless terminated earlier or extended, as per the provisions of this letter or applicable laws.
- b. The word “term” should be construed as defined under the Companies Act, 2013.
- c. The Independent Director will not be liable to retire by rotation.
- d. The Company has adopted the provisions with respect to appointment and term of Independent Directors, which is consistent with the Companies Act, 2013.

2. Meetings:

The Independent Director will be expected to devote such time as is necessary for the proper performance of his/her duties and as an independent Director. He/she should strive to attend all the scheduled Board Meetings, General Meetings, Committees Meetings and other meetings held in the Company.

As an independent director he/she should strive to hold and be present in at least one meeting in a year without the presence of Executive directors and members of management with the sole objective of:

- a. Review the performance of non-independent directors and the Board as whole;
- 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.

The company shall provide with adequate notice of the date of proposed board meeting, general meeting and meeting of board committees. As per the provisions of the Companies Act, 2013 the company is expected to give him/her an advance notice of

minimum 7 days of every board and committee meetings. A meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one independent director, shall be present at the meeting and in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director. The notice of the Board/Committee meetings will be provided with the agenda of the Board/Committee meetings. The Company shall also inform the Independent Directors about any upcoming events in the Company.

3. Board Committees:

The Board may, if it deems fit, invite any independent director for being appointed on one or more existing Board Committees or any such Committee that may be setup in the future. The Director's appointment on such Committee(s) will be subject to the applicable regulations of the Companies Act, 2013.

By accepting this appointment, the director confirm that he/she is able to allocate sufficient time to meet the expectations from the Director's role to the satisfaction of the Board.

4. Roles, Duties and Responsibilities:

The Independent Director's role and duties will be those normally required of a Non-Executive Independent Director under the Act. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and the same are specified under Section 166 of the Companies Act, 2013.

In addition to the above requirements, the Independent Director is also required to discharge the duties, roles and functions as applicable to Independent Directors as stated under Schedule IV to the Act, as in force and as may be amended from time to time. While performing such duties, roles and functions, The Director will be required to abide by the 'Guidelines of Professional Conduct' as stated under the said Schedule.

5. Liability:

As an independent director the person will be liable only in respect of such acts of omission or commission by a company which had occurred with his/her knowledge, attributable through Board processes, and with the Director's consent or connivance or where he/she had not acted diligently.

6. Directors & Officers (D&O) Insurance:

The Company is planning to take Directors and Officers liability insurance policy, copy of the same will be supplied to the Director once it is taken.

7. Code of Conduct / Excluded Actions:

During the tenure of the Director's appointment, he/she required to comply with the Code of Conduct adopted by the Board of Directors of the Company and comply with the Schedule IV of the Companies Act, 2013 and furnish annual affirmation of the same.

The Director will apply the highest standards of confidentiality and not disclose to any person or company (whether during the course of the tenure as Independent Director or at any time after cessation) any confidential information concerning the Company including any subsidiary or associate thereof with which the Director come into contact by virtue of the Director position as a Director, except as permitted by law or with prior clearance from the Chairman of the Board.

Additionally, he/she shall not participate in any business activity which might impede the application of the Director's independent judgment in the best interest of the Company.

8. Induction and Training:

The Company shall, if required, conduct formal induction program for its Independent Directors.

The Company shall, as may be required, support Directors to continually update their skills and knowledge and improve their familiarity with the Company and its business. The Company will fund/arrange for training on all matters which are common to the whole Board.

9. Performance Appraisal / Evaluation Process:

As a member of the Board, the Director's performance shall be evaluated annually. Evaluation shall be done by all the other Directors. The Director's appointment and re appointment on the Board shall subject to the outcome of the yearly evaluation process. The criteria for evaluation shall be determined by the Nomination & Remuneration Committee / Board and disclosed in the Company's Annual Report. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board /Committee.

10. Disclosures, other Directorships and Business Interests:

The Director is required to disclose to the Company his/her interests and any matters (excluding those matters which may be subject to legal professional privilege) which affect the Director's independence. During the Term, the Director agree to promptly notify the Company of any change in his/her Directorships and provide such other disclosures and information as may be required under the applicable laws.

The Director also agree that upon becoming aware of any potential conflict of interest with the Director position as Independent Director of the Company, he/she shall promptly disclose the same to the Board/Company. Please confirm that as on date of this letter,

The Director have no such conflict of interest issues with the Director existing Directorships, if any.

During the Director's term, the Director agree to promptly provide a declaration under Section 149(7) of the Companies Act, 2013 upon any change in circumstances which may affect the Director status as an Independent Director.

11. Changes of Personal Details:

During the term, the Director shall promptly intimate the Company in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

12. Fees / Remuneration:

The Director will be paid such remuneration by way of sitting fees for attending the meetings of the Board and the Committees as may be decided by the Board from time to time as per the provision of the Companies Act, 2013.

Further, the Company may pay or reimburse to the Director such fair and reasonable expenditure, as may have been incurred by the Director while performing the role as an Independent Director of the Company.

The company may also pay the commission to the non-executive directors of the company, including independent directors as per the provisions of the Companies Act, 2013. The same may be paid as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors from time to time.

As an independent director the Director shall not be entitled to any stock option and shall not be covered by any pension scheme.

13. Termination:

The Directorship on the Board of the Company shall terminate or cease in accordance with law. Apart from the grounds of termination as specified in the Act, the Directorship may be terminated for violation of any provision of the Code of Conduct of the Company.

The Director may resign from the Directorship of the Company by giving a notice in writing to the Company /ROC stating the reasons for resignation. The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by the Director in the notice, whichever is later. If, at any stage during the term, there is a change that may affect the Director's status as an Independent Director as envisaged in Section 149(6) of the Act, the director agree to promptly submit the resignation to the Company with effect from the date of such change.

14. Governing Law:

This document is governed by and will be interpreted in accordance with Indian Laws and the Director's engagement shall be subject to the jurisdiction of the Indian courts.

If the Director is willing to accept these terms of appointment relating to the Director appointment as a Non-Executive Independent Director of the Company.

15. Miscellaneous:

- a. This letter represents the entire understanding, and constitutes the whole agreement, in relation to the Director appointment and supersedes any previous agreement between the Director and the Company with respect thereto and, without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom.
- b. No waiver or modification of this letter shall be valid unless made in writing and signed.
- c. As per Schedule IV of the Companies Act, 2013 the terms and conditions of the appointment of Independent Director shall be posted on the Company's Website.

-----XXXXXXXXXXXXXXXXXXXX-----