

Dear Sir,

**Re: Your appointment as the Independent Director of ECOPLAST LIMITED**

We are pleased to inform you that at the Annual General Meeting held on \_\_\_\_\_ Shareholders have approved your appointment as an Independent Director of the Company to hold office for five consecutive years from \_\_\_\_\_ up to \_\_\_\_\_.

**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 Regulations.
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 Regulations as applicable to you as an independent director.

**B. Term**

Your appointment is for a term of 5 years commencing from \_\_\_\_\_ up to \_\_\_\_\_.

**C. Committees**

You have been appointed on the following committees of the Board

- (a) Audit Committee
- (b) Nomination and Remuneration Committee
- (c) Stakeholders Relationship Committee

#### **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, as stipulated by applicable law.
3. You will not hold office as a director or any other office in a competing firm/entity.
4. 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.
5. 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 Committee to the Board, pursuant to a performance evaluation carried out by the Board.

## **F. Remuneration**

1. Your annual remuneration will be as under:
  - (a) sitting fees for attending each meeting of the Board and its committees as may be determined by the Board from time to time, and
  - (b) Commission that may be determined by the Board payable at the end of each financial year will be based on the performance of the Company and your performance evaluated by the Board of directors.
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. Training**

You will be entitled to the benefit of a training program to familiarize you with the business and affairs of the Company, growth plans, the peculiarities of the industry in which the Company operates its goals and expectations and long term plans and objectives.

## **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,

**For Ecoplast Limited**

Company Secretary & Compliance Officer

**Agreed and Accepted by:**

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**Annexure 1**

## **Code of Conduct**

It is hereby agreed and adopted that the Directors of M/s Ecoplast Limited shall observe the following Code of Conduct and discipline:

### **Code of Conduct for Directors of M/s Ecoplast Ltd.**

In view of the fiduciary capacity of the directors, appointed by and representing the Shareholders to manage the affairs as trustees, it is essential to have demarcated duties/ responsibilities and obligations. To enable them to function independently, without any bias or prejudice, the following Revised Code of Conduct is adopted by the Board to be followed from 1st November 2018 as per the provisions contained in the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

#### **1. Disclosure of Interest and Avoidance of Conflict of Interest**

- 1) Any Director having financial or other interest by himself or through his relatives in any party contracting with the Company including vendors and customers, or in an Organization which is in competition with the Company shall make such interest known to the Board at the first opportunity and shall abstain from any discussion or decision-making on matters related to the Company and to such contracts or to the competitor. The Director shall have to disclose his direct or indirect interest in relation to any contract or arrangement or proposed contract or arrangement entered into or to be entered into by the Company.
- 2) The Director shall make a general disclosure of interest every year in the Form prescribed under Section 184 of the Companies Act, 2013, with the changes, if any, notified to the Board from time to time.
- 3) Notwithstanding such disclosure, except with prior consent of the Board, a Director or his relative or a firm in which such Director or his relative is a partner, or any other partner in such a firm, or a private company in which such Director is a member or director, shall not enter into any contract with the Company having monetary implications.
- 4) A Director shall disclose his investments in the Company and in its holding company or subsidiary, if any, and changes therein, if any, from time to time.

#### **2. Investment in Shares of the Company/Code for Prevention of Insider Trading**

None of the Directors shall deal in the Company's securities on a short-term basis. They shall abide by the Company's 'Code of Conduct for Prevention of Insider Trading' which shall be deemed to be part of this 'Code of Conduct'.

#### **3. Not to make secret profit**

A Director shall not make any secret profit out of his position. If a Director receives information on a potential business opportunity in his capacity as a Director of the Company he shall not use that opportunity for his own purpose.

4. **Confidentiality**

Directors shall keep confidential and not divulge directly or indirectly any information (except which is in the public domain) relating to the Company, its intellectual properties, its business and its customers/vendors which they have become aware of in the course of their directorship either by knowledge derived in the course of participation in Board Meetings/Committee Meetings or from papers circulated to them as Director. Directors shall not make use of such information for any purpose other than for the benefit of the Company.

5. **Non-compete**

Without taking prior consent of the Board Directors of the Company, Directors shall not accept any position of influence or of pecuniary interest including directorship in any other Organisation whose business is in direct competition with that of the Company.

6. **Not to contract individually**

None of the Directors shall act on behalf of the Company with any party or commit himself on behalf of the Company in regard to any arrangement or contract of a binding nature, unless specifically authorised by the Board in that behalf.

7. **Voting**

When a Director exercises his voting right as a shareholder at any general meeting of the Company he is free to vote in his own best interest like any other shareholder. However, when a Director votes as a Director in any Board Meeting or Committee Meeting he shall do so in his fiduciary capacity and shall be bound to vote not in his own personal interest but in what he considers to be the best interests of the Company.

8. **Employee Directors**

A whole time Director/Executive Director, who is an employee of the company shall, in addition to the above, be bound by the terms and conditions of his employment with the Company. He shall wholeheartedly devote his time and attention to the affairs and business of the Company within his remit and shall ensure all legal compliances on behalf of the Company in the area of work for which he has been made responsible.

9. **DUTIES OF DIRECTORS**

(a) Applicable to all Directors

The Directors of the Company shall, in terms of Section 166 of the Companies Act, 2013:

- (i) act in accordance with the Articles of Association of the Company.
- (ii) act in good faith in order to promote the objects of the Company in the interest of all its stakeholders.
- (iii) exercise his duties with due and reasonable care, skill and judgement and also exercise their independent judgement.
- (iv) 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.
- (v) not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates.
- (vi) not assign his office and any assignment so made shall be void.

(b) Applicable to Independent Directors:

In addition to the duties imposed upon the Directors of the Company under Clause 9 (a) above, the Independent Directors of the Company shall also ensure compliance with the Code for Independent Directors as specified in Schedule IV of the Companies Act, 2013, especially with regard to the duties of Independent Directors laid down therein.

**10. AFFIRMATION OF COMPLIANCE**

The Compliance of this Code of Conduct shall be affirmed, in writing, by all the Directors, on annual basis, coinciding with the closing of the financial year of the Company, which is presently 31<sup>st</sup> March.

## **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. 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 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.
8. Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

**Duties:**

1. Undertake appropriate induction and regularly update and refresh your 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 including a Separate meeting of the independent director and of the Board committees of which you are a member.
4. Participate constructively and actively in the committees of the Board in which you are chairperson or member.
5. Strive to attend the general meetings of the Company.
6. 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.
7. Keep yourself 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 yourself 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 behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.
12. Acting within your 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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