

LETTER OF APPOINTMENT

7th September, 2020

Dear Ms. Shubhalakshmi Panse

Address: Crosswinds, Baner,
Pune 411045.

SUBJECT: LETTER OF APPOINTMENT AS AN INDEPENDENT DIRECTOR

I am writing to confirm that the shareholders of **Sudarshan Chemical Industries Limited** (hereinafter referred to as 'the Company') have approved your re-appointment as an Independent Director on the Board of Directors of the Company with effect from 14th August, 2020. This letter of appointment sets out the terms and conditions covering your appointment, which are as follows:

1. Appointment

1.1 You have been re-appointed as a Non-Executive Independent Director on the Board of Directors for a term of five consecutive years commencing from 14th August, 2020 up to 13th August, 2025. Your appointment is subject to the extant provisions of the Companies Act, 2013, as amended from time to time.

1.2 The term "Independent Director" should be construed as defined under the Companies Act, 2013 and the listing regulations.

1.3 The Company has adopted the provisions with respect to appointment and tenure of Independent Directors as are consistent with the Companies Act, 2013 and the listing regulations. The Company is at liberty to disengage a Non-Executive Independent Director earlier subject to compliance of the relevant provisions of the Companies Act, 2013 and the listing regulations.

1.4 As an Independent Director you are not liable to retire by rotation.

1.5 Your appointment is not a contract of employment of the Company.

2. Committees

The Company has the following Committees:-

- a) Audit Committee
- b) Nomination & Remuneration Committee
- c) Stakeholders' Relationship Committee
- d) Corporate Social Responsibility Committee
- e) Risk Management Committee

The Board may request you :-

- a) To be a Member/Chairperson of any one or more Committees/Subcommittees of the Board which may be constituted from time to time.



Sudarshan Chemical Industries Limited

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b) To be a member on the Board of one or more of the Company's subsidiary.

3. Time Commitment

3.1 As a Non-Executive Director Independent Director you are expected to bring objectivity and independence to the Board's discussions and help provide the Board with effective leadership in relation to the Company's strategy, performance, and risk management, as well as ensuring high standards of financial probity and corporate governance. The Board and the audit committee meets at least four times in a year. The Nomination and Remuneration Committee meetings are ordinarily convened once in a year and other committees as per requirement. You will be expected to attend the Board, the Board Committees and the Annual General Meetings and to devote sufficient time, as required for you to discharge your duties effectively. Ordinarily, all meetings are held in Pune.

3.2 By accepting this appointment, you confirm that you are in a position to allocate sufficient time to meet the expectations of your role to the satisfaction of the Board.

4. Fiduciary Duties

Your role and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 and the listing regulations. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and inter alia are as under:

- I. You shall act in accordance with the Company's Articles of Association.
- II. You 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.
- III. You shall discharge your duties with due and reasonable care, skill and diligence.
- IV. You shall not involve yourself in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company/ Sudarshan Group or bring discredit to it. Any situation that creates a conflict of interest between personal interests and the Company and its stakeholders' interests, must be avoided at all costs. Please refer to clause 6 for full explanation on conflict of interest.
- V. You shall not assign your office as Director and any assignments so made shall be void.

There are certain roles, functions duties prescribed for all Independent Directors, which are listed in the 'Code for Independent Directors' as outlined in Schedule IV to the Companies Act, 2013. You shall abide by the said 'Code of Conduct for Independent Directors' as amended from time to time to the extent relevant and applicable to your role. The present code is annexed hereto as **Annexure A**.

5. Remuneration

As per the provisions of the Act, the maximum limit of remuneration to be paid to all the Non-Executive Directors (NED)/Independent Directors of the Company is capped at 1% of the net profits of the Company. Sitting fees will be Rs.20,000 (Rupees Twenty Thousand Only) per meeting of the Board and its Committee(s). You will be entitled to reimbursement of expenses incurred by you, in connection with your attendance at Board, Committee and General Meetings.

In addition to the sitting fees, profit related commission would also be payable to you. In determining the amount of this commission, the Nomination & Remuneration Committee of



the Company may consider various factors which inter alia include attendance at Board and Committee meetings, Chairmanship of the Board and Committees, contribution to the Board and Committee meetings, providing of guidance and support to senior management of the Company outside of Board meetings, industry practices, performance evaluation and performance of the Company.

6. Conflict of Interest

6.1 It is accepted and acknowledged that you may have business interests, memberships other than those of the Company. As a condition to your appointment commencing, you are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment.

6.2 In the event that your circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgement that you are independent, this should be disclosed to both the Chairman and the Secretary.

7. Confidentiality

All information acquired during your tenure of directorship is confidential and should not be disclosed, either during your tenure or following termination (by whatever means) to third parties without prior clearance from the Chairman, unless required by law or by the rules of any stock exchange or regulatory body. In the latter case, you would be required to suitably inform the Chairman of such an event or disclosure. You should direct any media queries or approaches to the appropriate spokesperson within the Company. On reasonable request, you shall surrender any documents and other materials made available to you by the Company.

8. Dealings in shares

Directors are prohibited from dealing in the Company's securities during the period when the trading window is closed. Directors are prohibited from forward dealing in securities of the Company. Also they should not enter into insider trading and are expected to comply with the Company's 'Securities Dealing Code' as well as with the concerned provisions of the insider trading laws and regulations. The Company's 'Securities Dealing Code' has been enclosed with this letter as **Annexure B**.

9. Evaluation

The Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and the Directors on an annual basis. Your appointment and reappointment on the Board shall be subject to the outcome of the yearly evaluation process.

10. Insurance

The Company has Directors' and Officers' liability insurance and it is intended that the Company will maintain such cover for the full term of your appointment.

11. Disclosure of Interest

It is expected that any interest you may have in any transaction or arrangement that the Company has entered into should be disclosed no later than when the transaction or



arrangement comes up at a Board meeting so that the minutes may record your interest appropriately and our records are updated. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.

12. Training and Development

The Company holds Board meetings at its registered office and also if necessary, in locations, where it operates. Site/factory visits are organized at various locations for the Directors. Presentations are made regularly to the Board and the committees where Directors get an opportunity to interact with senior managers. Presentations, inter alia, cover business strategies, management structure, HR policy, management development and succession planning, quarterly and annual results, budgets, treasury policy, review of internal audit, risk management framework, operations of subsidiaries and associates, etc.

You will also be updated by in house journals, informative articles about the developments in the Company, etc. through e-mails or other relevant modes. You can also access the official website of the Company, www.sudarshan.com for any other information about the Company.

The Company will facilitate your attending seminars/programs/conferences designed to train directors to enhance your role as a non-executive Independent Director.

13. Termination

13.1. 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 to the Board.

13.2 Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with provisions of the Companies Act, 2013, listing regulations and the Articles of Association of the Company, from time to time in force.

We have great pleasure in welcoming you on the Board and look forward to working closely with you.

Yours Sincerely,

For Sudarshan Chemical Industries Limited

P. R. Rathi

Pradeep R. Rathi
Chairman

