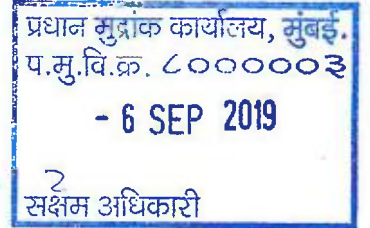




महाराष्ट्र MAHARASHTRA

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VT 584152



**CONTRACT FOR APPOINTMENT OF MANAGING DIRECTOR** श्री दि. क. गवई

THIS EMPLOYMENT CONTRACT ("**Contract**"), effective as of the last date of Signature below (the "**Effective Date**"), is entered into by and between Sumitomo Chemical India Limited, a company incorporated in India and having its office at Mumbai, India (hereinafter referred to as "**the Company**") and Mr. Chetan Shah, an Indian citizen currently residing at Mumbai, with Permanent Account Number AABPS6839G (hereinafter referred to as "**Chetan Shah**").

WHEREAS by a resolution passed at the meeting of the Board of Directors of the Company ("**Board**") held on August 31, 2019 and subject to approval of the Members of the Company; Chetan Shah has been appointed as the Managing Director of the Company for a period of 3 (Three) years commencing from September 1, 2019 to August 31, 2022 ("**Term**"). The terms and conditions of appointment of Chetan Shah as Managing Director have been determined by the Board at the Meeting held on 14<sup>th</sup> October, 2019.



AND WHEREAS, the Company and Chetan Shah desire to enter into this Contract hereby superseding any and all prior negotiations, understandings, representations and agreements.

NOW, THEREFORE, in consideration of the foregoing and of the material promises and conditions contained in this Contract, the parties agree as follows:

### **1. Representations and Warranties**

Company warrants that on the Effective Date, it is empowered under its Articles of Association to enter into this Contract. Chetan Shah warrants that on the Effective Date he is under no employment contract, bond, confidentiality agreement, or any other obligation which would violate or be in conflict with the terms and conditions of this Contract or encumber his performance of duties assigned to him by the Company. Chetan Shah further warrants that on the Effective Date he has not signed or committed to any employment or consultant duties or to the best of his knowledge other obligations which would divert his full attention from the duties assigned to him by the Company under this Contract.

### **2. Term of Contract**

Subject to the provisions of Section 11, the term of this Contract shall commence on the September 1, 2019 and terminate on August 31, 2022. Thereafter, the Company and Chetan Shah may enter into employment contracts for successive additional period(s) on mutually agreed terms and subject to approval of the shareholders in a general meeting and the applicable laws.

### **3. Duties under the Contract**

Company hereby employs Chetan Shah and appoints him as the 'Managing Director' on and from September 1, 2019.

Chetan Shah undertakes to adhere to the following:

- (a). Chetan Shah shall perform all such duties and responsibilities as are consistent with his designation subject to supervision of the Board.
- (b). Chetan Shah shall devote his full time, ability, attention, energy, knowledge and skill solely for performing all duties and responsibilities, assigned and/or delegated to him by the Board from time to time.
- (c). Chetan Shah shall strictly adhere to applicable laws and all applicable policies and Codes of Conduct of the Company, including (but not limited to) Company's Code of Practices and Procedures for Fair Disclosure, Code of Conduct for Prohibition of Insider Trading, policies related to anti-trust/competition law compliance and anti-corruption/anti-bribery compliance.
- (d). Chetan Shah 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, and the shareholders, community and for the protection of environment.



#### **4. Evaluation System**

Annual increments of Chetan Shah will be decided by the Board or any committee thereof, as it may deem appropriate.

#### **5. Location**

The principal place of work from where Chetan Shah shall perform services for the Company will be the Company's office in Mumbai.

#### **6. Compensation**

Subject to the provisions of Section 197 and Schedule V to the Companies Act, 2013, and approval of the shareholders in the next general meeting of the Company from September 1, 2019, Chetan Shah shall receive an annual gross remuneration, inclusive of all taxes, benefits and perquisites ("**CTC Remuneration**"), the break-up and structure of which shall be as specified in the Schedule A hereto. Chetan Shah shall not be entitled to receive sitting fees for attending the meetings of the Board or Committee(s) of Directors of the Company. In addition to the CTC Remuneration, Chetan Shah shall be provided car(s) with driver(s) as per the existing policy of the Company to discharge his day to day duties.

All benefits and entitlements of Chetan Shah will be governed by the prevailing guidelines and policies of the Company and the applicable laws, as amended, and Chetan Shah acknowledges and agrees that such guidelines and policies can be modified by the Board at its sole discretion from time to time.

Further, the Company may bear additional costs related to activities/services arranged by the Company for Company's official business purpose such as traveling costs, hotel costs, conveyance, telephone at residence, mobile bills, club costs or any other similar costs and such costs should not be considered as part of CTC Remuneration. As per and subject to Company's applicable policies, Chetan Shah would be entitled to reimbursement of actual expenses reasonably incurred by him for Company's official business purpose.

If, in any financial year, the Company has no or inadequate profits as per requirements of Companies Act, 2013, the Company shall undertake reasonable efforts and follow process to obtain suitable approvals as may be required for payment of CTC Remuneration to Chetan Shah.

#### **7. Outside Activities**

During the Term of this Contract, Chetan Shah shall devote his entire productive time, ability and attention to the business of Company and shall not, directly or indirectly, either as an officer, employee, employer, consultant, agent, principal, partner, major shareholder (major shareholder is defined here as owning more than 5% of the securities of any company competing directly with Company), corporate officer, director, or in any other capacity, engage or assist any third party in engaging in any business competitive with the business of Company.

Following his employment with Company, Chetan Shah shall not engage in unfair competition with Company (unfair competition is defined as direct



competition with Company using confidential information and/or trade secrets gained while employed by Company), aid others in any unfair competition with Company, in any way breach the confidence that Company has placed in Chetan Shah, or misappropriate any proprietary information of the Company.

#### **8. Obligation of Tax**

All taxes arising out of the remuneration paid to Chetan Shah by the Company, directly or indirectly during his employment period will be deducted by the Company at the applicable tax rates in accordance with the Indian Income Tax Regulations. Chetan Shah will however be responsible for his actual tax liabilities under applicable tax laws and regulations.

#### **9. Leave**

Chetan Shah is entitled for leave in accordance with the Company's rules & policies.

#### **10. Proprietary Rights and Confidentiality**

As a condition of employment under this Contract, Chetan Shah shall be bound by the Confidentiality Agreement, whose copy is attached hereto as Schedule B, and made a part hereof by this reference.

#### **11. Termination of Contract**

##### **a. Expiration of the Term of the Contract**

This Contract shall be terminated upon the expiration of the Term. Company's total liability to Chetan Shah in the event of termination of employment under this subsection shall be limited to the payment of his salary, benefits and bonus through the effective date of termination.

##### **b. Mutual Consent**

This Contract may be terminated at any time upon mutual written consent of the Company and Chetan Shah. The period from the date of consent to the effective date of termination shall not exceed one hundred and eighty (180) days.

##### **c. For Cause**

Company reserves the right to terminate this Contract immediately, at any time, if, in the reasonable opinion of Company, Chetan Shah breaches or neglects the duties which he is required to perform under the terms of this Contract, and with respect to which Chetan Shah has previously received written notice of any breach or neglect from Company and with respect to which Chetan Shah has failed, after reasonable opportunity (60 days) to cure, to remedy such breach or neglect; commits any material act of dishonesty, fraud, misrepresentation, or other act of moral turpitude; is guilty of gross carelessness or misconduct; or acts in any way that has a direct, substantial and adverse effect on Company's reputation. Company's total liability to Chetan Shah in the event of termination of his employment under this Section shall be limited to the payment of salary, benefits and pro rata share of the bonus through the effective date of termination.



d. By Chetan Shah

Chetan Shah reserves the right to terminate this Contract for any reason upon one hundred and eighty (180) days written notice to Company. Company's total liability to Chetan Shah in the event of termination of his employment under this subsection shall be limited to the payment of his salary, benefits, and a pro rata share of the bonus through the effective date of termination.

e. By Company

Company reserves the right to terminate this Contract for any reason upon one hundred and eighty (180) days written notice to Chetan Shah.

f. By Death

This Contract shall be terminated upon the death of Chetan Shah. Company's total liability shall be limited to payment of salary, benefits and a pro rata share of his bonus calculated through the date of his death.

g. By Disability

If, in the sole reasonable opinion of the Company, based upon competent medical advice, Chetan Shah shall be prevented from properly performing the essential functions of his duties with or without accommodation hereunder by reason of any physical or mental incapacity, for a period of more than 90 days in the aggregate in any twelve-month-period, then to the extent permitted by law, his employment with Company shall terminate. Company's total liability in the event of disability termination shall be limited to payment of his salary, benefits and a pro rata share of the bonus through the effective date of the termination upon disability.

h. Resignation of Positions

Upon termination of employment for any reason whatsoever, Chetan Shah shall be deemed to have resigned from all offices and directorships then held with Company.

**12. Prohibition of Assignment**

This Contract is personal to Chetan Shah and he is not permitted to assign or delegate any of his rights or obligations hereunder. This Contract shall be binding on Company and its successors through merger, reorganization, consolidation or the sale of substantially all of its stock or assets.

**13. Arbitration**

Any controversy between Company and Chetan Shah, including, but not limited to, those involving the construction or application of any of the terms, provisions or conditions of this Contract or otherwise arising out of or relating to this Contract, shall be settled by binding arbitration in Mumbai in the English language, in accordance with the then current commercial arbitration rules of the American Arbitration Association, and judgment on the award rendered by the arbitrator(s) may be rendered by any court having jurisdiction thereof. Company and Chetan Shah shall share the costs of the arbitrator equally but shall each bear their own costs and legal fees associated with arbitration.



**14. Modification**

Any modification of this Contract will be effective only if it is in writing and signed by the parties to be bound thereby.

**15. Entire Agreement**

This Contract constitutes the entire agreement between Company and Chetan Shah, pertaining to the subject matter hereof, and supersedes all prior or contemporaneous written or verbal agreements and understandings with Chetan Shah in connection with subject matter hereof.

**16. Governing Law**

This Contract and the rights and obligations hereunder shall be governed by the laws of India.

**17. Severability**

If any provision of this Contract is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall, nevertheless, continue in full force and effect without being impaired or invalidated in any way.

**18. Waiver**

The parties hereto shall not be deemed to have waived any of their respective rights under this Contract unless the waiver is in writing and signed by such waiving party. No delay in exercising any right shall be a waiver nor shall a waiver on one occasion operate as a waiver of such right on a future occasion.

**19. Miscellaneous**

Upon leaving the Company, Chetan Shah shall not take with him any confidential data, drawing or information (in the form of techniques, methods, processes, systems, formulas, compositions, designs, marketing and sales information, financial data, plans, trade secrets, statistics, records or otherwise) obtained by him as a result of his employment, or any reproduction thereof. All such Company property and all copies thereof shall be surrendered to the Company on termination or at any time on request.

**20. Notices**

All notices provided for herein shall be in writing and shall be deemed to have been given when delivered personally or by mail or courier addressed as follows:

To Company:

Sumitomo Chemical India Limited, 13 & 14, Aradhana Industrial Development Corporation, Near Virwani Industrial Estate, Goregaon (East), Mumbai - 400063, Maharashtra, India

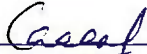
To Chetan Shah:

Bhagwati Bhuvan, 31-B, Carmichael Road, 5<sup>th</sup> Floor, Mumbai - 400036, Maharashtra, India




Or at such other addresses as either of said parties may from time to time in writing appoint.

IN WITNESS WHEREOF, the parties have executed this Contract individually or by their duly authorised officers or agent.

  
\_\_\_\_\_  
Chetan Shah

14<sup>th</sup> October, 2019  
Date

**Sumitomo Chemical India Limited**

  
\_\_\_\_\_  
(Sushil Marfatia)  
Executive Director



14<sup>th</sup> October, 2019  
Date

### **Annexure A - Compensation**

1. Annual Gross Salary: ₹3,35,40,000 and subject to annual increment as may be approved by Board of the Company (up to a maximum limit of 5,00,00,000 with annual increments in subsequent years).

Break up of Annual Gross Salary:

<b>Particulars</b>	<b>₹</b>
Basic Salary (₹27,95,000 per month)	3,35,40,000
<b>Total</b>	<b>3,35,40,000</b>

For the purpose of calculating the above annual gross salary, prerequisites shall be evaluated as per the Income-Tax Rules, wherever applicable. In the absence of any such Rules, prerequisites shall be evaluated at actual cost.

Mr. Chetan Shah will not be eligible to any Provident Fund and Superannuation Scheme benefits.

Mr. Chetan Shah's annual increments will be decided by the Board. The first annual increment will be due on 1st April, 2020 and thereafter on 1st April, 2021 and 1st April, 2022.

2. The annual Performance Bonus to be paid (the relevant evaluation period being the preceding fiscal year) and all Performance Bonuses thereafter shall be determined based on the results of the performance goals of the preceding fiscal year determined under the evaluation system which is in line with Sumitomo Chemical Global Performance Evaluation Standard.

Employee's Performance Bonus will be calculated based on the following table:

<b>Performance bonus (as % of base remuneration)</b>	<b>Bonus %</b>
O - 1 (more than 120% of target)	40%
E - 2 (100-120% of target)	30%
G - 3 (100-80% of target)	20%
U - 4 (50-80% of target)	10%





**Annexure B - Proprietary Rights and Confidentiality**

Chetan Shah shall not, at any time during his employment in the Company or thereafter, divulge, use other than for Company's benefit or disclose to anyone directly or indirectly, intentionally or otherwise, any knowledge or documents or information in respect of any invention, process, formula or secret method which he may have invented, acquired or learnt, during or in the course of his employment in the Company or any information relating to the Company or its affiliates either during the term of his employment with the Company or thereafter for a period of 5 years from the date of leaving the Company. Further, Chetan Shah would also keep information relating to his remuneration strictly confidential except for disclosure required under legal requirements.

*Chetan Shah*

*CS*

