

**THE COMPANIES ACT, 2013**  
**COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF FAIRCHEM SPECIALITY LIMITED<sup>1</sup>**

1. Regulations contained in Table 'F' in the First Schedule to the Companies Act, to the extent applicable, shall apply to the Company so far only as they are not inconsistent with any of the provisions contained in these Articles. It is hereby clarified that the provisions of Regulations 27, 76, and 79 of Table F shall not be applicable to the Company.
2. The Listing Regulations, to the extent applicable, shall apply to the Company.
3. In these Articles, unless the context otherwise requires:
  - (a) **"Acceptance Notice"** shall have the meaning ascribed to such term in Article 29.
  - (b) **"Accepted Offer Shares"** shall have the meaning ascribed to such term in Article 29.
  - (c) **"Affiliate"** means and includes, in respect of: (i) any Party, other than a natural Person, any other Person that directly or indirectly, through one or more intermediate Persons, Controls, is Controlled by, or is under the common Control of such Party; or (ii) in case of Parties who are natural persons, any other Person who is a Relative of such Party and any other Person Controlled by such Party or the Immediate Relatives of such Party.
  - (d) **"Applicable Law"** includes all statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority (or any sub-division thereof), statutory authority, tribunal, board, court or recognised stock exchange.
  - (e) **"Articles"** means these articles of association of the Company.
  - (f) **"Assets"** means all assets (movable, immovable, tangible or intangible), whether owned or leased or otherwise acquired by or in possession of the Company, used in connection with the Company Business or otherwise, or all assets (movable, immovable, tangible or intangible), whether owned or leased or otherwise acquired by or in possession of the Privi Subsidiaries (or any of them), used in connection with the Privi Business or otherwise.
  - (g) **"Auditors"** shall mean and includes those persons appointed as such for the time being by the Company, whether secretarial auditor, statutory auditor, internal auditor, or cost auditor.
  - (h) **"Babani Family"** shall mean collectively: (i) Mr. Mahesh P Babani; (ii) Mrs. Seema Babani; (iii) Ms. Jyoti Babani; (iv) Ms. Snehal Babani; (v) Vivira Chemicals Private Limited; (vi) Money Mart Securities Private Limited.
  - (i) **"Balance Offer Shares"** shall have the meaning ascribed to such term in Article 29.

**1 Amended in terms of the Special Resolution passed by the members of the Company at the 31st Annual General Meeting held on 9th September, 2016**

- (j) “**Board**” shall mean the board of directors of the Company.
- (k) “**Business Day**” means any day other than a Saturday, Sunday or a public holiday or any day on which banks are open for general banking purposes in Mumbai, India, Toronto, Canada and Mauritius.
- (l) “**Canadian Securities Law**” shall mean all applicable securities laws in the provinces of Canada, including the rules and regulations promulgated by the Ontario Securities Commission, all as now enacted or as the same may from time to time be amended, re-enacted or replaced, the respective regulations, rules, orders and forms under such laws and the applicable published policy statements of and any exempting orders issued by the Canadian Securities Regulators.
- (m) “**Catch Up Shares**” mean such number of Equity Securities that the Mahesh Group would need to sell for MG Pre Tag Proportion to be equal to the Fairfax Pre Tag Proportion.
- (n) “**Charter Documents**” means the memorandum and articles of association of the Company
- (o) “**Companies Act**” shall mean the Companies Act, 2013 or Companies Act, 1956 (to the extent applicable) and includes any statutory modification or re-enactment thereof for the time being in force as amended from time to time.
- (p) “**Company**” shall mean Fairchem Speciality Limited.
- (q) “**Company Business**” means processing of acid oil and deodorizer distillate and any other materials, which are by-products or resultant products from processing of any kind of vegetable oils or such other business as may be engaged by the Company in accordance with the Memorandum of Association.
- (r) “**Competing Business**” means any business or activity, which: (i) is the same as or similar to or competes with the Company Business or any other business undertaken by the Company or its Subsidiaries; or (ii) is the same as or similar to or competes with the Privi Business or any other business undertaken by the Privi Subsidiaries; but shall not include the Privi Life Sciences Business.
- (s) “**Control**” including with its grammatical variations such as “**Controlled by**”, “**that Controls**” and “**under common Control with**”, when used with respect to any Person, means and includes the possession, directly or indirectly, of, acting alone or together with another Person, the ability to direct the management and policies of such Person, whether (i) through the ownership of over 50% (fifty per cent) of the voting equity of such Person; (ii) through the power to appoint over half of the members of the board of directors or similar governing body of such Person; or (iii) pursuant to Applicable Law or contractual arrangements or otherwise.
- (t) “**D&O Policy**” means a directors’ and officers’ liability insurance policy issued by a reputable insurance company in a form satisfactory to Fairfax and the Mahesh Group , in respect of all claims or liabilities resulting from the actions or omissions of a director to the extent permitted by Applicable Law.
- (u) “**Deed of Adherence**” means a deed to be executed by a Permitted Transferee of any Equity Securities from any Party in the form set out in Schedule 4 of the SHA.
- (v) “**Director**” shall mean the directors of the Board of the Company.

- (w) “**Effective Date**” shall mean March 14, 2017.
- (x) “**Encumbrance**” means : (i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any Person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law, (ii) any proxy, power of attorney, voting trust agreement, interest, option, right first offer, refusal, right of pre-emption or transfer restriction in favour of any Person, and (iii) any adverse claim as to title, possession or use.
- (y) “**Equity Securities**” means any shares or other equity interest or any securities convertible into or exchangeable for Share Capital of the Company or any other rights, warrants or options to acquire any of the foregoing securities of the Company (including the Equity Shares).
- (z) “**Equity Shares**” means equity shares of the Company having a par value of INR 10 (Rupees ten only) per share and one vote per share.
- (aa) “**Fairfax**” shall collectively mean FIH Mauritius Investments Ltd and FIH Private Investments Ltd.
- (bb) “**Fairfax Pre-Tag Proportion**” means a ratio where the numerator is the number of Equity Securities held by Fairfax and its Permitted Transferees on the date of the Transfer Notice and the denominator is the number of Equity Securities held by Fairfax on the Effective Date, in each case on a fully diluted basis.
- (cc) “**Financial Year**” means the period commencing on the first of April of any calendar year and ending on the thirty first of March of the following calendar year, or as permissible under Applicable Law from time to time.
- (dd) “**Governmental Authority**” means any government authority, statutory authority, regulatory authority, government department, administrative authority, agency, commission, board, tribunal or court or other law, rule or regulation making entity having or purporting to have jurisdiction on behalf of the Republic of India or any state or other sub-division thereof or any municipality, district or other sub-division thereof or in any other nation (including any political subdivision).
- (ee) “**Immediate Relatives**” with reference to any Person, means the spouse, children (including major son and daughter) or parents of such Person.
- (ff) “**Indebtedness**” means with respect to any Person, whether recourse is to all, none or a portion of the assets of such Person, and whether or not contingent (a) any obligation of such Person for borrowed money or with respect to deposits or advances of any kind; (b) any obligation of such Person evidenced by bonds, debentures, notes, guarantees or other similar instruments; (c) any reimbursement obligation of such Person with respect to letters of credit, bankers acceptances or similar facilities issued for the account of such Person; (d) all debt obligations of such Person upon which interest charges are customarily paid; (e) all obligations of such Person under conditional sale, deferred purchase price of property or title retention agreements relating to property acquired by such Person, if applicable (f) any fixed rental obligations under a lease of or other agreement conveying the right to use assets that is required to be classified and accounted for as a financing or capital lease on financial statements prepared in accordance with Indian GAAP; (g) any guarantee obligations of such Person of any nature, including, but not limited to, any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person in any manner and (h) all indebtedness and

obligations of the types described in the foregoing clauses (a) through (g) to the extent secured by any Encumbrance on any property or asset owned or held by that Person regardless of whether the indebtedness secured thereby shall have been assumed by that Person or is non-recourse to the credit of that Person.

- (gg) “**Indian GAAP**” means the generally accepted accounting principles of India as issued by the Institute of Chartered Accountants of India.
- (hh) “**Issuance Acceptance Period**” shall have the meaning ascribed to such term in Article 63.
- (ii) “**Key Matters**” shall mean matters set out in Part A of Annexure 1 with respect to the Company or its Subsidiaries as the case may be.
- (jj) “**Listing Regulations**” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (kk) “**Mahesh Group**” shall mean collectively, the Rao Family and the Babani Family.
- (ll) “**Market Offer Price**” shall have the meaning ascribed to such term in Article 29.
- (mm) “**Market Trade**” shall mean a sale of Equity Securities on the floor of the Stock Exchanges in a non-negotiated and non-synchronised trade where the identity of the buyer is not known to the seller and his representatives.
- (nn) “**MG Nominee Director**” shall have the meaning ascribed to such term in Article 44.
- (oo) “**MG Pre-Tag Proportion**” means a ratio where the numerator is the number of Equity Securities held by the Mahesh Group and its Permitted Transferees on the date of the Transfer Notice and the denominator is the number of Equity Securities held by the Mahesh Group on the Effective Date, in each case on a fully diluted basis.
- (pp) “**Nahoosh Group**” shall collectively mean (i) Mr. Nahoosh J. Jariwala, (ii) Nahoosh Tradelink LLP and (iii) Jariwala Tradelink LLP.
- (qq) “**Non-participating Shareholder Group**” shall have the meaning ascribed to such term in Article 29.
- (rr) “**Offer Period**” shall have the meaning ascribed to such term in Article 29.
- (ss) “**Offer Price**” shall have the meaning ascribed to such term in Article 29.
- (tt) “**Offer Shares**” shall have the meaning ascribed to such term in Article 29.
- (uu) “**Open Offer Shares**” shall have the meaning ascribed to such term in Article 37.
- (vv) “**Ordinary Course of Business**” means the ordinary course of business consistent with past custom and practice (including with respect to quantity and frequency), but only to the extent consistent with Applicable Law; provided that a series of related transactions which taken together is not in the Ordinary Course of Business shall not be deemed to be in the Ordinary Course of Business.
- (ww) “**Other Shareholder Group**” shall have the meaning ascribed to such term in Article 29.
- (xx) “**Permitted Purchase Shares**” shall have the meaning ascribed to such term in Article 29.
- (yy) “**Permitted Transferee**” means: (A) in relation to the Nahoosh Group: (i) any Immediate Relative of Mr. Nahoosh Jariwala; or (ii) any body corporate or company in which 100%

(one hundred per cent) of the legal and beneficial ownership, right, title, interest is held by Mr. Nahoosh Jariwala or an Immediate Relative of Mr. Nahoosh Jariwala and Control is held by Mr. Nahoosh Jariwala; or (iii) any partnership in which 100% (one hundred per cent) of the legal and beneficial ownership, right, title, interest is held by Mr. Nahoosh Jariwala or an Immediate Relative of Mr. Nahoosh Jariwala and Control is held by Mr. Nahoosh Jariwala and all partners in such partnership are Mr. Nahoosh Jariwala and / or his Immediate Relatives where Control is held by Mr. Nahoosh Jariwala; (B) in relation to the Mahesh Group: (i) any Immediate Relative of Mr. Mahesh Babani or Mr. D. B. Rao; or (ii) any body corporate or company in which 100% (one hundred per cent) of the legal and beneficial ownership, right, title, interest is held by Mr. Mahesh Babani, Mr. D.B. Rao or their Immediate Relatives and Control is held by Mr. Mahesh Babani or Mr. D.B. Rao; or (iii) any partnership in which 100% (one hundred per cent) of the legal and beneficial ownership, right, title, interest is held by Mr. Mahesh Babani, Mr. D.B. Rao or their Immediate Relatives and all partners in such partnership are Mr. Mahesh Babani, Mr. D.B. Rao or their Immediate Relatives; and (C) in relation to Fairfax, any Affiliate of Fairfax. Provided however that any Person engaged in a Competing Business will not be regarded as a Permitted Transferee.

- (zz) **“Person”** means any individual or other entity, whether a corporation, firm, company, joint venture, trust, association, organization, partnership or proprietorship, including any governmental agency or regulatory body.
- (aaa) **“POIL”** shall mean Privi Organics India Limited (erstwhile Adi Aromatic Limited), a wholly owned subsidiary of the Company.
- (bbb) **“Pricing Guidelines”** shall mean the pricing guidelines prescribed by the Reserve Bank of India in its circular (A. P. (DIR Series) Circular No.4) dated July 15, 2014, as amended from time to time.
- (ccc) **“Privi Business”** means the business of the Privi Subsidiaries to develop, manufacture and process crude sulphate turpentine and to supply and export organic chemicals used mainly in the flavour and fragrance industry.
- (ddd) **“Privi Life Sciences Business”** shall mean the identification, development, manufacture, import, distribution and sale of all kinds of organic/ inorganic chemicals, natural extracts and their formulations/ blends used in agriculture as growth promoters, plant nutrients, yield improvers, shelf life enhancers, manures, insecticides, pesticides, herbicides, fungicides, weedicides and other applications, and includes health and nutrition products, food and food supplements for human consumption and animal husbandry and non ferric alum and sodium alum used in food industry.
- (eee) **“Privi Subsidiaries”** means POIL, Privi Biotechnologies Private Limited and Privi Organics USA Inc.
- (fff) **“Promoter Companies”** shall mean the companies set out in Article 39.
- (ggg) **“Proportionate Share”** in relation to a Shareholder Group, means the proportion that the number of Equity Securities on a fully diluted basis held by such Shareholder Group, bears to the total number of Equity Securities of the Company on a fully diluted basis.
- (hhh) **“Proposed Issuance”** shall have the meaning ascribed to such term in Article 62.
- (iii) **“Proposed Recipient”** shall have the meaning ascribed to such term in Article 61.
- (ijj) **“Rao Entity”** shall have the meaning ascribed to such term in Article 40.
- (kkk) **“Rao Family”** shall mean collectively: (i) Mr. D. B. Rao; (ii) Mr. Guduru Ramesh; (iii) Vivira Investments and Trading Private Limited; (iv) Mr. D. Premaleela; (v) Mr. D. Vinaykumar; (vi) Mr. D. Vijaykumar; (vii) Ms. Grace Vinaykumar; (viii) Ms. Sharon

Vijaykumar; (ix) Mr. D. Rajkumar; (x) Ms. Prasanna Rajkumar.

- (III) **“Related Party”** means (i) any Person who would be categorized as a “Related Party” or an “Associate Company” under the Companies Act or Indian GAAP, with reference to the Company, or the Nahoosh Group or the Mahesh Group; (ii) the Nahoosh Group, the Mahesh Group and any of their respective Affiliates, shareholders holding more than 2% (two per cent) of the Share Capital or director of the Company; (iii) any Person in which any director or officer of the Company has any interest, other than a passive shareholding of less than 10% (ten percent); and (iv) any Person which would be considered a related party in terms of Accounting Standards 18 issued by the Institute of Chartered Accountants of India.
- (mmm) **“Related Party Transactions”** means any transactions or arrangements between the Company or the Privi Subsidiaries on the one hand, and one or more Related Parties on the other hand.”
- (nnn) **“Relative”** shall have the meaning ascribed to ‘relative’ under the Companies Act.
- (ooo) **“Reserved Matters”** means the matters set out in Part C of Annexure 1 with respect to the Company and its Subsidiaries.
- (ppp) **“Restricted Transferees”** shall mean the following Persons or such other Persons as may be specified by the Mahesh Group in accordance with the provisions of Article 26:
- (i) International Flavors and Fragrances INC, USA and its Affiliates;
  - (ii) DRT, France and its Affiliates globally including DRT Anthea Limited;
  - (iii) Symrise S. A.;
  - (iv) Eternis Fine chemicals Limited (formerly HPFL);
  - (v) Camphor and Allied Products Limited;
  - (vi) S H Kelkar and Company Limited; and
  - (vii) Doingcom, and the parent company EcoGreen Fine Chemicals Group Ltd., Hong Kong.
- (qqq) **“ROFR Proportion”** means the proportion that the number of Equity Securities held by a Shareholder Group (as defined under Article 29(i)) bears to the aggregate number of Equity Securities held by the Other Shareholder Groups, in each case on a fully diluted basis.
- (rrr) **“Securities”** means and includes shares, scrips, stocks, bonds, debentures, debenture stock or other securities of a like nature in or of any incorporated company or other body corporate.
- (sss) **“SHA”** means shareholders’ agreement dated July 12, 2016 executed amongst the Nahoosh Group, the Mahesh Group, Fairfax, the Company and POIL, and as amended from time to time.
- (ttt) **“Share Capital”** means the issued and paid-up equity share capital of the Company, on a fully diluted basis.
- (uuu) **“Shareholder Group”** means each of the Nahoosh Group, the Mahesh Group and Fairfax.
- (vvv) **“Specified Matters”** shall mean the matters set out in Part B of Annexure 1 with respect to the Privi Subsidiaries.
- (www) **“Stock Exchange”** means BSE Limited, the National Stock Exchange of India Limited and any other recognised stock exchange in India where the Equity Shares of the Company are listed.

- (xxx) “**Subsidiaries**” shall mean a subsidiary within the meaning of the Act.
- (yyy) “**Tag Along Consideration**” means an amount equal to the Tag Along Shares multiplied by the Tag Along Price.
- (zzz) “**Tag Along Offer Period**” shall have the meaning ascribed to such term in Article 33.
- (aaaa) “**Tag Along Price**” shall have the meaning ascribed to such term in Article 30.
- (bbbb) “**Tag Along Response**” shall have the meaning ascribed to such term in Article 33.
- (cccc) “**Tag Along Right**” shall have the meaning ascribed to such term in Article 30.
- (dddd) “**Tag Along Shares**” shall have the meaning ascribed to such term in Article 30.
- (eeee) “**Takeover Regulations**” means the Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 2011, as amended from time to time.
- (ffff) “**Third Party Transferee**” shall have the meaning ascribed to such term in Article 29.
- (gggg) “**Transfer**” means to sell, give, assign, transfer any interest in trust, mortgage, alienation, encumber, grant a security interest in, amalgamate, merge or suffer to exist (whether by operation of law or otherwise) any Encumbrance on any securities, shares, or interests or any right, title or interest therein or otherwise dispose of securities, shares, or interests in any manner whatsoever voluntarily or involuntarily.
- (hhhh) “**Transfer Notice**” shall have the meaning ascribed to such term in Article 29.
- (iiii) “**Transferring Shareholder**” shall have the meaning ascribed to such term in Article 29.

Except as provided above and unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Companies Act.

#### **SHARE CAPITAL**

4. The authorised share capital of the Company is as stated in the memorandum of association of the Company, with the power to increase its capital, to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles and to vary, modify or abrogate any such rights, privileges or conditions only in such manner as may for the time being be provided by these Articles or the Companies Act. The rights of the shareholders shall be determined at the time of issue thereof.
5. The share capital of the Company may comprise of the following classes:
  - (a) equity share capital:
    - (i) with voting rights; or
    - (ii) with differential rights as to dividend, voting or otherwise; and
  - (b) preference share capital.
6. Subject to the provisions of the Companies Act and these Articles, the shares in the capital of the Company shall be under the control of the directors who may issue allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions, either at a premium or at par and at such time as the directors may from time to time think fit.
7. Any shares of the original or increased capital may, from time to time, be issued with any such guarantee or any right of preference, whether in respect of dividend or of repayment of capital or both or any such other special privilege or advantage over any shares previously issued or then about to be issued or with such deferred or qualified rights as compared with any shares

previously issued or subject to any such approvals or conditions and with any special right or limited right or without any right of voting and generally on such terms as the Company may, from time to time, determine.

8. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
9. The Company shall have the right to convert any of its unissued equity shares into preference shares and *vice versa* with such rights, privileges and conditions attaching thereto as may then be decided upon. The Company shall also be entitled to issue preference shares which are liable to be redeemed and that if and when any redeemable preference shares are issued, the compulsory provisions of the Companies Act shall be complied with. Such preference shares shall be redeemed in any of the modes permitted by the Companies Act and subject to the conditions prescribed by the Companies Act or regulations of the Company, to the extent applicable.
10. The rights of the holders of any class of shares, for the time being forming part of the capital of the Company may be modified, affected, varied, extended or surrendered either with the consent in writing of the holders of three-fourths of the issued shares of the class or with the sanction of a special resolution passed at a separate meeting of the holders of those shares.

Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.

11. The Company may, from time to time, as per the requirement under applicable law increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
12. Subject to the provisions of the Companies Act, the Company shall have the power, by means of a special resolution to be passed at a general meeting of the Company and / or by way of Postal Ballot, if so permissible under the Companies Act and / or Rules made thereunder, to issue sweat equity shares of a class of shares already issued.
13. The Company may, by ordinary resolution:
  - (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
  - (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum, subject, nevertheless, to the applicable provisions of the Companies Act;
  - (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
14. The Company may, subject to compliance with the provisions of the Companies Act, capitalise its profits or reserves for the purpose of issuing fully paid-up bonus shares.
15. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law:
  - (a) its share capital;
  - (b) any capital redemption reserve account; and/or
  - (c) any securities premium account.
16. Subject to the provisions contained in the Companies Act and subject to such approvals, permissions, consents and sanctions from the concerned authorities and departments, including the Securities and Exchange Board of India and the Reserve Bank of India, wherever necessary,



the Company may, by passing a special resolution at a general meeting, purchase / buy-back its own shares or other specified securities.

17. Subject to the Companies Act, and after obtaining the sanction of the Company in a general meeting by special resolution, the shares in the capital of the Company shall be allotted or otherwise disposed of by the Board by way of a preferential offer of shares on a private placement basis to such persons (whether already members or not or to employees under a scheme of employees' stock option) in such proportion and on such terms and conditions and either at premium or at par or against payment in cash or kind.
18. Where it is proposed to increase the subscribed capital by the issue of further shares, such shares shall be offered to persons who, at the date of the offer, are holders of equity shares of the Company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely:
  - (a) the offer shall be made by notice specifying the number of shares offered and limiting a time not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;
  - (b) the offer aforesaid shall include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person;
  - (c) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the shareholders and the company;
19. The Company may accept from any member, the whole or a part of the amount remaining unpaid on any shares held by him, even if no part of that amount has been called up. Such member shall not be entitled to any voting rights in respect of this additional amount paid by him, until that amount has been called up by the Company.
20. The Company may, subject to compliance with the provisions of the Companies Act, pay dividend to its members in proportion to the amount paid-up on each share.
21. Save as herein otherwise provided, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not, except as ordered by a Court of competent jurisdiction, or as by statute required, be bound to recognise any equitable or other claim to or interest in such share on the part of any other person.
22. Shares may be registered in the name of any person, Company or other body corporate. Not more than four persons shall be registered as joint-holders of any share.

## **TRANSFERS OF EQUITY SECURITIES**

### **TRANSFER RESTRICTIONS**

23. Subject to compliance with Articles 29, 39 and 40, the Nahoosh Group shall have the right to Transfer all or any of Equity Securities held by it to any Person at any time, provided that as long as Fairfax holds at least 10% (ten per cent) of the Share Capital (on a fully diluted basis), the Nahoosh Group shall not directly or indirectly Transfer any legal or beneficial interest in the Equity Securities held by the Nahoosh Group to a Restricted Transferee without the prior written consent of Fairfax.
24. Subject to compliance with Articles 29, 39 and 40, the Mahesh Group shall have the right to Transfer all or any of Equity Securities held by it to any Person at any time, provided that as long as Fairfax holds at least 20% (twenty per cent) of the Share Capital (on a fully diluted basis), the Mahesh Group shall not directly or indirectly Transfer any legal or beneficial interest in the Equity Securities held by the Mahesh Group to a Restricted Transferee without the prior written consent of Fairfax.
25. Subject to compliance with Article 29 to 38, Fairfax shall have the right to Transfer all or any of

Equity Securities held by it to any Person at any time. Provided that as long as the Mahesh Group holds at least 10% (ten per cent) of the Share Capital (on a fully diluted basis), Fairfax shall not directly or indirectly Transfer any legal or beneficial interest in the Equity Securities held by Fairfax to a Restricted Transferee without the prior written consent of the Mahesh Group.

26. For the purpose of Articles 23 to 26, the Mahesh Group shall be entitled to update the list of Restricted Transferees (if required) every 1 (one) year starting from the Effective Date by sending a written notice to all the Parties, provided that the list of Restricted Transferees: (i) shall only include Persons who are engaged in the Privi Business; and (ii) shall not comprise of more than 7 (seven) Persons at any given time.

#### **PERMITTED TRANSFEREES**

27. Notwithstanding the provisions of Article 29 and Articles 30 to 38, each Shareholder Group shall have the right to Transfer all or a portion of the Equity Securities held by them to one or more of their respective Permitted Transferees, provided that:
- (i) Each such Permitted Transferee to whom the Equity Securities are being Transferred shall execute a Deed of Adherence simultaneous with such Transfer. Upon executing the Deed of Adherence, the Permitted Transferee shall be entitled to all the rights and subject to all the obligations of the transferring member of the Shareholder Group as specified in the Deed of Adherence;
  - (ii) Such Transfer is exempt from the requirement to make a public offer under Regulation 10 or its equivalent provision under the Takeover Regulations;
  - (iii) If the Permitted Transferee is going to cease to be a Permitted Transferee, the Permitted Transferee shall Transfer the Equity Securities acquired pursuant to this Article 27 to any of the members of its Shareholder Group, prior to such Permitted Transferee ceasing to be a Permitted Transferee;
  - (iv) Such Permitted Transferee shall not Transfer the Equity Securities to any Person other than a Permitted Transferee, without compliance with the provisions of Articles 23 to 38; and
  - (v) If any Shareholder Group Transfers any Equity Securities to any of its Permitted Transferees in accordance with this Article, in such Shareholder Group shall, upon and after such Transfer, continue to remain liable as the primary obligor of all obligations of, and the performance by, such Permitted Transferee under this Agreement.
28. Notwithstanding anything contained in this Agreement, the Mahesh Group shall have the right to sell by way of a Market Trade or Encumber, upto 3% (three percent) of the Share Capital (on a fully diluted basis) in the aggregate, to raise funds for personal reasons (of which the Babani Family will be entitled to sell upto 2% of the Share Capital (on a fully diluted basis) in the aggregate and the Rao Family will be entitled to sell upto 1% of the Share Capital (on a fully diluted basis) in the aggregate). Any such Transfer will not be subject to the provisions of Articles 23 to 26 and Article 29.

#### **RIGHT OF FIRST REFUSAL**

29. In the event any member of any of the Shareholder Groups ("**Transferring Shareholder**") proposes to Transfer all or some of their Equity Securities to any Person other than a Permitted Transferee ("**Third Party Transferee**"), then the following provisions will apply:
- (i) The Transferring Shareholder, shall first deliver a written notice ("**Transfer Notice**") to the Shareholder Groups other than the Shareholder Group to which the Transferring Shareholder belongs ("**Other Shareholder Groups**"), which notice shall state (i) the number of Equity Securities proposed to be transferred by the Transferring Shareholder (the "**Offer Shares**"), (ii) the proposed consideration for the transfer offered by the Third Party Transferee, or the closing market price of the Offer Shares on the trading day prior to the

date of the Transfer Notice in case the Transferring Shareholder proposes to sell its Offer Shares by way of Market Trade, as the case maybe (the “**Offer Price**”), and (iii) the name and address and beneficial ownership of the Third Party Transferee, unless the Transferring Shareholder proposes to sell its Offer Shares by way of a Market Trade. The Transfer Notice shall constitute an irrevocable offer by the Transferring Shareholder to sell the Offer Shares to the Other Shareholder Groups at the Offer Price. Provided however, the Offer Price shall not be regarded as binding in the event of a sale by way of Market Trade (subject to compliance with the other provisions of Article 29).

- (ii) Within a period of 10 (ten) Business Days from the receipt of the Transfer Notice (the “**Offer Period**”), the Other Shareholder Groups shall have the right, exercisable by them through the delivery of an acceptance notice (“**Acceptance Notice**”) to all the Parties, to agree to purchase their ROFR Proportion of the Offer Shares or the Permitted Purchase Shares, whichever is lower, at the Offer Price. If any of the Other Shareholder Groups fails to deliver an Acceptance Notice for its entire ROFR Proportion within the Offer Period (“**Non-participating Shareholder Group**”), the Other Shareholder Groups who have delivered an Acceptance Notice for their complete ROFR Proportion shall have the right to purchase the ROFR Proportion or the Permitted Purchase Shares of the Non-participating Shareholder Group, whichever is lower, by delivering an additional written notice (“**Additional Notice**”) within a period of 3 (three) Business Days from the expiry of the Offer Period. Notwithstanding anything in this Article, if an Other Shareholder Group is making a public offer under the Takeover Regulations, it shall have the right to issue an Acceptance Notice and if applicable, an Additional Notice, for its entire ROFR Proportion and the entire ROFR Proportion of a Non-Participating Shareholder Group. The aggregate number of Offer Shares being purchased by a purchasing Shareholder Group pursuant to the Acceptance Notice and, if applicable, the Additional Notice shall be referred to as the “**Accepted Offer Shares**”.
- (iii) The closing of the purchase of the Accepted Offer Shares by the purchasing Shareholder Group from the Transferring Shareholder shall take place within a period of 10 (ten) Business Days of the Acceptance Notice or the Additional Notice, as the case may be, or such longer period as may be required to obtain regulatory approvals or as may be required under the Takeover Regulations. Provided however, in the event the Other Shareholder Group is making a public offer under the Takeover Regulations, the Other Shareholder Group shall complete the purchase of the Accepted Offer Shares after twenty one working days from the date of the detailed public statement in relation to the open offer in accordance with Regulation 22(2) of the Takeover Regulations or such shorter period as may be permissible under the Takeover Regulations.
- (iv) In the event (a) the Other Shareholder Groups do not deliver an Acceptance Notice within the Offer Period, or (b) any Other Shareholder Group (including by itself or through a Person identified by it) is not permitted under Applicable Law to acquire the relevant Offer Shares at the Offer Price, (c) any Other Shareholder Group who has delivered an Acceptance Notice or Additional Notice, fails to purchase (whether by itself or through a person identified by it) the Accepted Offer Shares within the applicable time periods mentioned above, or (c) there are any Offer Shares (as set out in the Transfer Notice) in excess of the aggregate Accepted Offer Shares (hereinafter referred to as the “**Balance Offer Shares**”), the Transferring Shareholder may sell the relevant Offer Shares or the Balance Offer Shares to the Third Party Transferee or by way of a Market Trade, as set out in the Transfer Notice, at a price not lower than the Offer Price and within a period of 10 (ten) Business Days from the expiry of the Offer Period or such longer period as may be required under Applicable Laws to obtain regulatory approvals.
- (v) Provided that if the Transferring Shareholder is selling any Offer Shares on the floor of the Stock Exchange by way of a Market Trade and the market price is lower than the Offer Price, the Transferring Shareholder shall deliver a written notice to the Other Shareholder Groups which notice shall state such lower price at which the Offer Shares are proposed to be sold by way of Market Trade (“**Market Offer Price**”). The Other Shareholder Groups shall have the right, exercisable by them through the delivery of an acceptance notice to the

Transferring Shareholder within 1 (one) Business Day of receipt of such notice, to agree to purchase (either itself or through any Person identified by them) the Offer Shares or the Permitted Purchase Shares, whichever is lower, at the Market Offer Price. Such purchase shall be completed within a period of 2 Business Days from the date of such acceptance notice.

- (vi) For the purpose of this Article, the term “**Permitted Purchase Shares**” shall mean the maximum number of Offer Shares that the relevant Shareholder Group can agree to purchase (along with the Tag Along Shares required to be purchased under Articles 30 to 38) without being required to make a public offer under the Takeover Regulations.
- (vii) If an Other Shareholder Group is not permitted to purchase the relevant Offer Shares at the Offer Price under the Pricing Guidelines, it shall be entitled to identify a Person to purchase such Offer Shares and all references to the Other Shareholder Group for the purpose of Article 29 and Articles 30 to 38 shall include such Person. The Other Shareholder Group shall be liable for any breach of the Articles 29 or Articles 30 to 38 by such identified Person.

### **TAG ALONG RIGHT**

- 30. If the Offer Shares proposed to be Transferred by Fairfax to a Third Party Transferee are more than 50% (fifty per cent) of the Equity Securities held by Fairfax on the Effective Date, the Mahesh Group shall have the right but not the obligation (“**Tag Along Right**”) to sell all or part of the aggregate of (i) such number of the Equity Securities held by the Mahesh Group that are proportionate to the Offer Shares proposed to be Transferred by Fairfax; and (ii) the Catch Up Shares (as on the date of the Transfer Notice) (“**Tag Along Shares**”) to such Third Party Transferee at the same price per Equity Security (“**Tag Along Price**”) and on the same terms and conditions (including without limitation the same representations, warranties and covenants as being provided by Fairfax) as agreed for such Transfer, in accordance with the terms of these Articles 30 to 38. Provided however that in the event the Third Party Transferee is a person not resident in India, Fairfax shall ensure that the Tag Along Shares are purchased by the Third Party Transferee at a price which is not lower than the price determined in accordance with the Pricing Guidelines.
- 31. Fairfax shall specify the terms and conditions of the proposed Transfer in the Transfer Notice delivered to the Mahesh Group (including without limitation the price per Equity Security, representations, warranties and covenants).
- 32. If the Mahesh Group does not deliver an Acceptance Notice under Article 29 within the Offer Period, the Mahesh Group shall have the right but not the obligation to exercise its Tag Along Right in accordance with Articles 30 to 38.
- 33. In the event that the Mahesh Group elects to exercise the Tag Along Right, the Mahesh Group shall deliver a written notice of such election to Fairfax (“**Tag Along Response**”) within a period of 3 (three) Business Days of the expiry of the Offer Period (“**Tag Along Offer Period**”), indicating its desire to exercise its Tag Along Right and specifying the number of the Tag Along Shares.
- 34. In the event that the Mahesh Group does not issue a Tag Along Response during the Tag Along Offer Period, Fairfax shall, upon expiry of the Tag Along Offer Period and subject to Article 23-26, be entitled to complete the Transfer of the Offer Shares to: (i) the Nahoosh Group, if the Nahoosh Group has delivered an Acceptance Notice for such Offer Shares in accordance with Article 29; and/ or (ii) the Third Party Transferee, in accordance with Article 29; within a period of 30 (thirty) Business Days following the expiry of the Tag Along Offer Period, at the Tag Along Price and on terms no more favourable to Fairfax than those set out in the Tag Along Offer Notice. Notwithstanding anything to the contrary contained herein, if such closing / completion of the proposed Transfer of the Offer Shares to the Third Party Transferee or Nahoosh Group does not occur within a period of 30 (thirty) Business Days of the expiry of the Tag Along Offer Period, for any reason whatsoever, then the relevant Transfer Notice as well as the relevant Tag Along Response shall be null and void and it shall be necessary for Fairfax to once again comply with the terms and provisions of Articles 30 to 38 in connection with any Transfer of its Equity Securities.

35. In the event that the Mahesh Group elects to exercise the Tag Along Right, and the Nahoosh Group has delivered an Acceptance Notice to Fairfax pursuant to Article 29, the Nahoosh Group shall, in addition to the Offer Shares, also purchase such Tag Along Shares, in accordance with the terms of Articles 30 to 38. In the event that the Mahesh Group elects to exercise the Tag Along Right, and the Nahoosh Group does not deliver an Acceptance Notice for all the Offer Shares to Fairfax pursuant to Article 29 within the Offer Period, then Fairfax shall procure that the Third Party Transferee purchases the Tag Along Shares along with the Offer Shares. Fairfax shall not proceed with the Transfer of the Offer Shares without complying with Articles 30 to 38 (including without limitation, ensuring that all of the Tag Along Shares are Transferred to the Third Party Transferee or the Nahoosh Group, as the case may be).
36. In the event that the Mahesh Group elects to exercise the Tag Along Right, the closing of the sale of the Tag Along Shares by the Mahesh Group to the Third Party Transferee or the Nahoosh Group (as the case may be) shall take place simultaneously with the closing of the Transfer of the Offer Shares by Fairfax to the Third Party Transferee or the Nahoosh Group (as the case may be). At such closing, (a) the Third Party Transferee or the Nahoosh Group (as the case may be) shall pay the Tag Along Consideration to the Mahesh Group; and (b) the Mahesh Group shall deliver duly executed transfer instructions to the relevant depository participant for Transfer of the Tag Along Shares to the relevant transferee (provided such transferee had intimated details of its demat account to the Mahesh Group at least 3 (three) Business Days prior to the closing date). The Mahesh Group shall deliver their respective Tag Along Shares to the Third Party Transferee or the Nahoosh Group (as the case may be) free and clear of any Encumbrance (other than Encumbrances arising hereunder). At such closing, all of the parties to the transaction shall execute such additional documents as may be required to effect the sale of the Tag Along Shares in accordance with Articles 30 to 38.
37. Notwithstanding anything contained in Articles 30 to 38, if the aggregate of: (i) the Equity Securities acquired by the Third Party Transferee or the Nahoosh Group (as the case may be) pursuant to an open offer under Regulation 3 or 4 of the Takeover Regulations (as the case may be) ("**Open Offer Shares**"); (ii) the Offer Shares; and (iii) the Tag Along Shares, is 75% (seventy per cent) or more of the Share Capital (on a fully diluted basis), then Fairfax shall have the right to proportionately reduce the number of Offer Shares and Tag Along Shares proposed to be Transferred to the Third Party Transferee or the Nahoosh Group (as the case may be), such that the aggregate of the Open Offer Shares, Offer Shares and Tag Along Shares represents not more than 75% (seventy five per cent) of the Share Capital (on a fully diluted basis).
38. Notwithstanding anything to the contrary, the Mahesh Group shall, in its sole discretion, elect to exercise its rights under either Article 29 or Articles 30 to 38, in the manner set out in Article 29 and Articles 30 to 38.

#### **INDIRECT TRANSFERS**

39. Mr. Nahoosh Jariwala and / or his Immediate Relatives shall be the sole legal and beneficial owners of 100% (one hundred per cent) of the share capital on a fully diluted basis of and Mr. Nahoosh Jariwala shall be in sole Control of Jariwala Tradelink LLP and PCD Investments Pvt. Ltd (now Nahoosh Tradelink LLP), free and clear of Encumbrances. Mr. Nahoosh Jariwala shall not Transfer, and shall ensure that his Immediate Relatives shall not Transfer, any equity shares or securities held by him or his Immediate Relatives in Jariwala Tradelink LLP and Nahoosh Tradelink LLP and Mr. Nahoosh Jariwala shall continue to Control the Promoter Companies.
40. Mr. D. B. Rao and/ or his Immediate Relatives shall be the sole legal and beneficial owners of at least 80% (eighty per cent) of the share capital on a fully diluted basis of and Mr. D.B. Rao shall be in sole Control of Vivira Investment and Trading Private Limited ("**Rao Entity**"), free and clear of Encumbrances. Mr. D.B. Rao shall not Transfer, and shall ensure that his Immediate Relatives shall not Transfer, any equity shares or securities held by him or his Immediate Relatives in Vivira Investment and Trading Private Limited and Mr. D.B. Rao shall continue to Control Vivira Investment and Trading Private Limited. The Rao Entity shall not and Mr. D.B. Rao shall ensure that the Rao Entity shall not acquire any additional Equity Securities of the Company (whether

pursuant to primary subscription or a secondary purchase or otherwise).

### SHARE CERTIFICATES

41. The certificates of shares shall be issued in accordance with the provisions of the Companies (Share Capital and Debentures) Rules, 2014, as amended from time to time.
42. A certificate may be renewed or a duplicate of a certificate may be issued if such certificate:
  - (a) is proved to have been lost or destroyed, or defaced; or
  - (b) having been defaced or mutilated or torn, is surrendered to the Company; or
  - (c) has no further space on the back thereof for endorsement of transfer.
43. The manner of issue or renewal of a certificate or issue of a duplicate thereof, the form of a certificate (original or renewed) or of a duplicate thereof, the particulars to be entered in the register of members or in the register of renewed or duplicate certificates, the form of such registers, the fee on payment of which, the terms and conditions, if any, including terms and conditions as to evidence and indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating evidence, on which a certificate may be renewed or a duplicate thereof may be issued, shall be such as prescribed by the Companies (Share Capital and Debentures) Rules, 2014 or any other Rules in substitution or modification thereof.

### DIRECTORS

44. The directors of the Company shall be appointed in accordance with the Companies Act from time to time, to the extent applicable. For as long as the Mahesh Group holds atleast 5% (five per cent) of the Share Capital (on a fully diluted basis), Mahesh Group shall have the right to nominate any one of Mr. Mahesh Babani or Mr. D.B.Rao for appointment to the Board, and for so long as the Mahesh Group holds at least 10% (ten per cent) of the Share Capital (on a fully diluted basis), the Mahesh Group shall have the right to nominate Mr. Mahesh Babani and Mr. D.B.Rao for appointment to the Board (each an “**MG Nominee Director**”). The Board shall also appoint such number of independent directors, as they may deem appropriate, subject to Applicable Law.
45. The number of directors shall not be less than 3 (three) at any time, and may exceed 15 (fifteen) only on receipt of sanction from the members by way of a special resolution in this regard. Fairfax shall be entitled to nominate and appoint 2 (two) directors on the Board.
46. The directors shall not be required to hold any qualification share(s) in the Company.
47. Any casual vacancy in the Board shall be filled up at a meeting of the Board.
48. The Board shall have power to appoint additional directors on the Board, subject to the provisions of the Companies Act.
49. Subject to the provisions of the Companies Act, the Board may appoint a person, not being a person holding any alternate directorship for any other director in the Company, to act as an alternate director for a director during his absence for a period of not less than 3 (three) months from India. The alternate shall automatically vacate office upon the earlier of (a) the return of the original director to India, and (b) completion of the tenure of the director to whom he is an alternate.
50. The Board shall have the power to appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement.
51. Subject to the provisions of the Companies Act, directors may by a resolution, at their discretion, raise or borrow or secure the payment of any sum(s) of monies for the purpose of the Company.

## KEY MATTERS, SPECIFIED MATTERS AND RESERVED MATTERS

52. Subject to the provisions of the Companies Act, the adoption of any resolution of the Board with respect to any Key Matter (not being a Specified Matter), shall require the affirmative vote of a majority of the Directors present at a duly constituted meeting of the Board, which shall include the affirmative vote of at least 1(one) Director nominated by Fairfax. Subject to the provisions of the Companies Act, the adoption of any resolution of the Board with respect to any Specified Matter, shall require the affirmative vote of a majority of the Directors present at a duly constituted meeting of the Board with a valid quorum, which shall include the affirmative vote of at least 1(one) Director nominated by Mahesh Group.
53. The Parties acknowledge that Fairfax is in control of the Company and, as a result, the Company shall not take any actions (including in any committee meeting or shareholders meeting) in respect of the Key Matters (not being a Specified Matter) other than as determined by Fairfax. If Fairfax provides any directions in respect of any of the Key Matters to the Company, the Company shall undertake (and procure the undertaking of) all such actions and execute all such documents as may be required to implement the said directions.
54. No action or decision relating to any of the Key Matters shall be taken by the Privi Subsidiaries and the Mahesh Group shall procure that no such action or decision shall be taken (whether by the board of directors of the Privi Subsidiaries, any committee constituted by the board of directors, the shareholders or any of the employees, directors, officers or managers of any of the Privi Subsidiaries), unless such Key Matter is referred to the Board of the Company, and such matter shall then be decided in the manner set out in Article 52.
55. No action or decision relating to any of the Specified Matters shall be taken by the Privi Subsidiaries and Fairfax shall procure that no such action or decision shall be taken (whether by the board of directors of the Privi Subsidiaries, any committee constituted by the board of directors, the shareholders or any of the employees, directors, officers or managers of any of the Privi Subsidiaries), unless such Specified Matter is referred to the Board of the Company, and such matter shall then be decided in the manner set out in Articles 52 and 53.
56. In the event that a decision in relation to any Key Matter or Specified Matter is made by the Company or the Privi Subsidiaries other than in accordance with the provisions of these Articles, such decision and any actions taken pursuant to such decisions shall be *ab initio* null and void.
57. No action or decision relating to any of the Reserved Matters shall be taken (whether by the Board, any committee, the Shareholders or any of the employees, officers or managers of the Company), without the prior written approval of Fairfax.
58. No action or decision relating to any of the Reserved Matters in respect of the Subsidiaries shall be taken (whether by the board of directors of the Subsidiaries, any committee, the shareholders of the Subsidiaries or any of their respective employees, officers or managers), without the prior written approval of Fairfax. The Company shall ensure that, if the board of directors or any committee thereof or the shareholders of any Subsidiary are to consider any Reserved Matter (as such matters are applicable or relate to any Subsidiary), then, the resolution pertaining to such Reserved Matter shall not be decided by the board of directors of the Subsidiary or any committee thereof and such matter shall be referred to the general meeting of the shareholders of the concerned Subsidiary. Thereafter, the Company shall cause such matter to be discussed with Fairfax and prepare a unanimous strategy for voting at such general meetings of the Subsidiary and the Person nominated by Fairfax shall be appointed and authorized by the Company to attend and vote at the general meetings of the Subsidiary, and such representative shall vote in accordance with the unanimously agreed strategy for voting as mentioned above.
59. In the event that a decision in relation to any Reserved Matter is made by the Company or the Subsidiaries other than in accordance with the provisions of these Articles, such decision and any actions taken pursuant to such decisions shall be *ab initio* null and void.

60. The Company shall, and Fairfax and the Nahoosh Group shall procure that the Company shall maintain a D&O Policy for the MG Nominee Directors and the Directors nominated by Fairfax.

#### **PRE-EMPTIVE RIGHT**

61. In the event the Board decides to issue Equity Securities to any Person ("**Proposed Recipient**"), the Board shall also offer, in the manner set out in Articles 61-64, to issue such additional Equity Securities to each of the Shareholder Groups at the same price on a per Equity Security basis on which the Equity Securities are being offered to such Person, as per the terms set out in Articles 61 to 64.
62. Not less than 7 (seven) Business Days before a proposed issuance of Equity Securities by the Company as per Article 61 above (a "**Proposed Issuance**"), the Company shall deliver to each of the Shareholder Groups a written notice of the Proposed Issuance ("Proposed Issuance Notice") setting forth: (i) the number, type and terms of the Equity Securities to be issued; and (ii) price on a per Equity Security basis on which the Equity Securities are being offered as part of the Proposed Issuance.
63. Within 7 (seven) Business Days following receipt of the Proposed Issuance Notice ("**Issuance Acceptance Period**"), each of the Shareholder Groups may (but is not obliged to) give a written notice to the Company specifying the number of Equity Securities such Shareholder Group wishes to subscribe to which shall not exceed its Proportionate Share of the number of Equity Securities forming part of the Proposed Issuance. Except as provided in Article 64, failure by a Shareholder Group to give such notice within the Issuance Acceptance Period shall be deemed a waiver of its rights under Articles 61-64 with respect to such Proposed Issuance.
64. If any of the Shareholder Groups does not elect to subscribe to its Proportionate Share during the Issuance Acceptance Period, the Company shall have the right to complete the Proposed Issuance to the Proposed Recipient at a price not lower than the price per Equity Security consideration and on terms and conditions no less favourable than the terms and conditions set forth in the Proposed Issuance Notice under Article 62.

#### **KEY MANAGERIAL PERSONNEL**

65. The Board may, from time to time, appoint 1 (one) or more of their members to be a managing director or a whole-time director of the Company to hold such office on terms and conditions as they may deem fit and delegate such power to him as they may deem proper and from time to time remove or dismiss him or them from office and appoint another in his/their place.
66. The Board may, subject to the approvals as may be required under Applicable Law, fix the remuneration of such managing director(s) and whole-time director, whether by way of salary or commission or by conferring a right to participate in the profits of the Company or by combination of any of the above.
67. An individual may be appointed or reappointed as the chairperson of the Company as well as the managing director or chief executive officer of the Company at the same time.
68. The Board may appoint a whole-time secretary of the Company possessing the prescribed qualification for such term, at such remuneration and upon such conditions as they may think fit and any secretary so appointed may be removed by them. The duties of the whole-time company secretary will be as per the Companies Act and as directed by the Board from time to time.
69. The Board may, subject to compliance with the Listing Regulations, appoint a share transfer agent or manage the share transfer facility in-house.

#### **LOCAL MANAGEMENT**

70. Subject to the provisions of the Companies Act, the Board may from time to time provide the management of the affairs of the Company outside India (or in any specified locality in India) in such manner as it shall think fit and the provisions contained in Articles 71 to 74 below shall be without prejudice to the general powers conferred by this Article.
71. Subject to the provisions of the Companies Act, the Board, may at any time establish any local



Directorate for managing any of the affairs of the Company outside India, and may appoint any persons to be members of any such local Directorate or any Managers and may fix their remuneration and, save as provided in Section 179 of the Companies Act, the Board may at any time delegate to any persons so appointed any of the powers, authorities and discretions for the time being of any such local Directorate or any of them to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment of delegation may be made on such terms and subject to such conditions as the Board may think fit and the Board may at any time remove any person so appointed and may annul or vary any such delegation.

72. Subject to the provisions of the Companies Act, the Board may, at any time and from time to time by Power-of-Attorney under Seal appoint any person to be the Attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those which may be delegated by the Board under the Companies Act) and for such period and subject to such conditions as the Board may, from time to time think fit, any such appointments may, if the Board thinks fit, be made in favour of the members or any of the members of any Local Directorate established as aforesaid, or in favour of Company or of the members, directors' nominees, or officers of the company or firm, or in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such Power-of-attorney may contain such provisions for the protection or convenience of persons dealing with such Attorneys as the Board think fit.
73. Subject to the provisions of the Companies Act, any such delegate or Attorney as aforesaid may be authorised by the Board to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him.
74. Subject to the provisions of the Companies Act, the Company may exercise the power conferred by the Companies Act with regard to having an Official Seal for use abroad, and such powers shall be vested in the Board, and the Company may cause to be kept in any State or country outside India, as may be permitted by the Companies Act, a Foreign Register of Member or Debenture holders residents in any such State of Country and the Board may, from time to time make such regulations not being inconsistent with the provisions of the Companies Act: and the Board may, from time to time, make such provisions as it may think fit relating thereto and may comply with the requirements of any local law and shall in any case comply with the provisions of the Companies Act.

#### **MEETINGS OF DIRECTORS**

75. The Directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings and proceedings as they think fit. Provided, however, that the meeting of the Board shall be held at least once in every calendar quarter and at least 4 (four) such meetings shall be held every year in such a manner that not more than 120 (one hundred and twenty) days shall intervene between 2 (two) consecutive meetings. Meetings of the Board may be held within or outside India, subject to the provisions of the Companies Act.
76. The chairman may at any time, any director, and/or the manager, secretary or such other officer of the Company as may be authorised by the directors shall, upon the requisition of a director, convene a meeting of the Board.
77. Subject to the provisions of the Companies Act, the quorum for all Board meetings shall be 3 (three) Directors or 1/3<sup>rd</sup> (one third) of the total number of Directors on the Board at any given time, whichever is higher. Provided that at least one director nominated by Fairfax shall be required for any decision in relation to the Key Matters and at least one director nominated by the Mahesh Group shall be required for any decision in relation to the Specified Matters.
78. At any Board meeting, each Director shall have 1 (one) vote.

79. The rules and regulations for the conduct of the meetings of the Board, including for matters such as quorum, notices for meeting and agenda, as contained in these Articles or in the Companies Act, insofar as applicable, shall apply to discussions through audio conferencing, video conferencing or net conferencing, as the case may be.
80. Subject to provisions of Companies Act, a Director may participate in and vote at a meeting of the Board by means of a video conferencing or similar communications equipment which allows all persons participating in the meeting to see and hear each other and record the deliberations. Where any director participates in a meeting of the Board by any of the means above, the Company shall ensure that such director is provided with a copy of all documents referred to during such Board meeting prior to the commencement of this Board meeting.
81. A meeting of the Board at which quorum is present shall be able to exercise all or any of the authorities, powers and discretion which by or under the Companies Act of these presents are vested in or exercisable by the Board generally.
82. If quorum is not present within half an hour from the time appointed for holding the meeting, the meeting shall stand adjourned to such time and place as may be decided by the Board. The provisions of these Articles in relation to the convening of such adjourned general meetings shall apply.
83. Subject to the provisions of the Companies Act, the Board may delegate any of its powers to committees of the Board consisting of such member(s) or members of its body as it thinks fit, and it may, from time to time, revoke and discharge any such committee of the Board, either wholly or in part, and either as to persons or purposes. Every committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may, from time to time, be imposed on it by the Board. All acts done by any such committee of the Board in conformity with such regulations and in fulfillment of the purpose of their appointment shall have like force and effect as if done by the Board.
84. Subject to the provisions of the Companies Act, no resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the directors, or to all the members of the committee, as the case may be, at their address registered with the Company in India by hand delivery or by post or by courier, or through electronic means as prescribed under the Companies Act and has been approved by a majority of the directors or members of the committee, who are entitled to vote on the resolution.
85. Save as otherwise expressly provided in the Companies Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.
86. The Board may, at any time and from time to time, by power of attorney, appoint any person or persons to be the attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles) and for such period and subject to such conditions, as the Board may from time to time think fit, and such appointment (if the Board deems fit) be made in favour of any Company or the members, directors, nominees, or managers of any company or firm or otherwise in favour of any fluctuating body or persons whether nominated directly or indirectly by the Board and any such power of attorney may contain any such powers for the protection of convenience of persons dealing with such attorneys as the Board may think fit and may contain powers enabling any such attorneys as aforesaid to sub-delegate all or any of the powers authorities and directions for the time being vested in them.

## GENERAL MEETINGS

87. A general meeting of the Company may be called by giving not less than 21 (twenty-one) days' notice, provided however that with the consent of 95% of the members a general meeting may be called with shorter consent.
88. The notice of a general meeting shall be accompanied by a statement setting out the following material facts concerning each item of special business to be transacted at the meeting as per the provisions of Section 102 of the Companies Act.
89. All general meetings other than annual general meetings shall be called extraordinary general meetings.
90. The Board may, whenever it thinks fit, call an extraordinary general meeting.
91. General meetings, other than the Annual General Meeting (which shall be held at any place within the city, town or village in which the registered office of the Company is situated) may be held at any place, and subject to the Companies Act for any general meeting where the Company makes arrangements, the shareholders may attend by any medium as may be permitted under the Companies Act.
92. If at any time there are not within India directors capable of acting who are sufficient in number to form a quorum, any director or any 2 (two) members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.
93. The quorum requirements shall be as required under the Companies Act. No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business and at the time when each item of business is being conducted.
94. If quorum is not present within 1 (one) hour from the time appointed for holding the meeting, the meeting shall stand adjourned to such time and place as may be decided by the Board. The provisions of these Articles in relation to the convening of such adjourned general meetings shall apply.
95. The chairman, if any, of the Board shall preside as chairman at every general meeting of the Company. The chairman shall have a second or casting vote.
96. If there is no such chairman, or if he is not present within 15 (fifteen) minutes after the time appointed for holding the meeting, or is unwilling to act as chairman of the meeting, the shareholders present shall elect the chairman of the meeting.
97. The chairman may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
98. At any general meeting, a resolution put to the vote of the meeting shall, unless a poll is demanded or the voting is carried out electronically, be decided on a show of hands.
99. Any member of a company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as a proxy to attend and vote at the meeting on his behalf. Such proxy shall not have the right to speak at such meeting but shall be entitled to vote on a poll as well as demand a poll.
100. The instrument appointing a proxy shall be in such form as laid down by the Companies Act, shall be in writing and shall be signed by the appointer or his attorney duly authorised in writing or, if the appointer is a body corporate, by an officer or an attorney duly authorised by it.
101. On a poll taken at a meeting of a Company, a member entitled to more than 1 (one) vote, or his proxy or other person entitled to vote for him, need not, if he votes, use all his votes or cast in

the same way all the votes he uses.

### **BOOKS, REGISTERS AND RECORDS**

102. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
103. The Company may exercise the powers conferred on it by the provisions of the Companies Act with regard to keeping a foreign register of its members, debenture holders and the Board may, subject to provisions of the Companies Act, make and vary such regulations as it may think fit in relation to the keeping of any such registers.
104. Any Director or the Secretary or any officer appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any books, records, documents and accounts relating to the business of the Company and to certify copies thereof or extracts therefrom as true copies or extracts and where any books records, documents or accounts are elsewhere than at the office, the local manager or other officer of the Company having the custody thereof, shall be deemed to be a person appointed by the Board as aforesaid.
105. A document purporting to be a copy of resolution of the Board or an extract from the minutes of meeting of the Board which is certified as such in accordance with the provisions of the last preceding Article shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted meeting of the Directors.

### **NO PERSONAL OR CORPORATE GUARANTEE**

106. None of the Shareholder Groups shall be required in any circumstances to provide any additional personal or corporate guarantee in respect of any borrowings or obligations undertaken by the Companies or the Subsidiaries.

### **SECRECY CLAUSE**

107. Every director, manager, auditor, executor, trustee, member of a committee of the Board, officer, agent, accountant, or other person employed in the business of the Company shall be deemed to have pledged himself to observe strict secrecy in respect of all transactions of the Company with its customers and the state of its accounts with individuals in matters relating thereto, and shall be deemed to have pledged not to reveal any of the matters which come to his knowledge in the discharge of his duties, except when required to do so by the directors or by a court of law or under any other requirement of law as the case may be and except so far as may be necessary in order to comply with any provision of these Articles.
108. No member, not being a director, shall be entitled, except to the extent expressly permitted by the Companies Act or these Articles to enter upon the property of the Company or to require discovery of or any information respecting any detail of the Company's trading or any other matter which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which, in the opinion of the Board, will not be in the interest of the members of the Company to communicate to the public.

### **INDEMNITY**

109. Subject to the provisions of the Companies Act every director of the Company, officer (whether managing director, manager, secretary or other officer) or employee or any person employed by the Company as Auditor shall be indemnified by the Company against liability in respect of matters which arise from acts or omissions of the relevant person in the ordinary course of discharging his or her authorised duties other than liability which arises as a result of that persons dishonesty, fraud or negligence, and it shall be the duty of the directors, out of the

funds of the Company to pay all costs, losses and expenses (including travelling expenses) which any such director, officer, other employee, or Auditor may incur or become liable to by reason of any contract entered into or act or deed done by him as such director, officer, other employee or Auditor or in any way in the discharge of his duties.

110. Subject as aforesaid every director, officer, other employee, or Auditor of the Company shall be indemnified against any liability incurred by him in defending any proceedings whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or discharged in connection with any application under the Companies Act in which relief is granted to him by the Court or the Tribunal.

#### **EVIDENCE IN ACTION BY COMPANY AGAINST MEMBERS**

111. On the trial or hearing of any action or suit brought by the Company against any share-holder or his representatives to recover any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose on the Register as a holder or one of the holders, of the number of shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Board who made any call, not that a quorum was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted, not any other whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

#### **GENERAL AUTHORITY**

112. Wherever in the Companies Act it has been provided that any company shall have any right, privilege or authority or that any company cannot carry out any transaction unless it is so authorised by its Articles, then and in that case this Article hereby authorises and empowers this Company to have such right, privilege or authority and to carry out such transaction as have been permitted by the Companies Act, without there being any other specific Article in that behalf herein provided.

## **ANNEXURE 1**

### **PART A : KEY MATTERS**

1. Issue, allot, repurchase, redeem, reduce or cancel any Securities and/or equity securities of any of the Company's Subsidiaries or any change to the capital structure or share capital of the Company or its Subsidiaries;
2. Any amendment to the Charter Documents of the Company or its Subsidiaries;
3. With respect to the Company or any of its Subsidiaries, any sale, merger, consolidation, reorganization, re-structuring, arrangement, amalgamation or other business combination. Any investments in or sale of any shares or debt or equity securities of any Person;
4. Any acquisition or sale of any Assets, real estate or properties or creating any Encumbrance in respect of, or selling or otherwise disposing of, all or any part of the undertaking, property or Assets, in each case, in relation to the Company or any Subsidiaries, having a book value or fair market value in excess of INR 2,00,00,000 (Rupees two crore only);
5. Appointment, removal, compensation, salary and benefits (including employee stock options and sweat equity shares) of any of the key employees of the Company or its Subsidiaries.

### **PART B : SPECIFIED MATTERS**

1. Any amendment to the articles of association or the objects clause of the memorandum of association of any of the Privi Subsidiaries;
2. With respect to the Privi Subsidiaries, any sale, merger, consolidation, reorganization, re-structuring, financial re-construction, arrangement, amalgamation or other business combination, or any investments in or sale of any shares or debt or equity securities of any Person;
3. With respect to the Privi Subsidiaries, any acquisition or sale of any real estate or properties or creating any Encumbrance in respect of, or selling or otherwise disposing of, all or any part of the undertaking, property or assets, having a book value or fair market value in excess of INR 5,00,00,000 (Rupees five crore only); and
4. Entering into any binding agreement to take any of the foregoing actions.

### **PART C : RESERVED MATTERS**

1. Incurrence of any Indebtedness in excess of INR 25,00,00,000 (Rupees twenty five crore only), in a single transaction or a series of connected transactions in a calendar year, granting any security, guarantee or indemnity in respect of such Indebtedness;
2. Related Party Transactions, and any material deviations from the existing arrangements existing as on the Effective Date;
3. Granting any advance or giving any guarantee by the Company or any of its Subsidiaries, other than in the Ordinary Course of Business;
6. Any capital expenditure by the Company or its Subsidiaries;
4. Initiating, discontinuing or settling any litigation or arbitration proceedings involving a material amount for any individual settlement and in any case where the aggregate amount involved is above INR 25,00,00,000 (Rupees twenty five crore only);
5. Entering into any binding agreement to take any of the foregoing actions.

We the several persons whose names and addresses are subscribed, are desirous of being formed into a Company in pursuance of these Articles of Association and we respectfully agree to take the number of shares in the capital of the Company set opposite to our respective names.

Name and signature of the subscribers	Description Occupation & Addresses of subscribers	No. of Equity Shares taken by each subscriber	Names, Signatures, Description, Occupation and address of witness
<b>Jariwala Jayvadan Chandulal</b> S/o. Chandulal N. Patel Sd/- J. C. Jariwala	Opp. UCO Bank Naranpura Char Ratsa, Ahmedabad Occ. Business	1 (One)	<b>Mayank H. Patel</b> Sd/- M. H. Patel Occ. Service
<b>Jariwala Nahoosh Jayvadan</b> S/o. Jayvadan C. Jariwala Sd/- N. J. Jariwala	Opp. UCO Bank Naranpura Char Rasta, Ahmedabad Occ. Business	1 (One)	Shriji Park, Maninagar, Ahmedabad- 380 008
<b>Jariwala Bharat Tarunchandra</b> S/o. Tarunchandra C. Jariwala Sd/- B. T. Jariwala	Naranpura Char Rasta, Opp. UCO Bank, Ahmedabad 380 013. Occ. Business	1 (One)	
<b>Prahladbhai Lildas Patel</b> S/o. Lildas K. Patel Sd/- P. L. Patel	9. Vrundavan Co-op. Hsg. Soc. Ltd. Part-I, Opp. Chandralok Society, Ranip, Ahmedabad 380 005. Occ. Service	1 (One)	<b>Parshottambhai S. Patel</b> S/o. Shankerlal I. Patel Sd/- P. S. Patel
<b>Raniit Biharilal Parekh</b> S/o. Biharilal V. Parekh Sd/- Ranjit B. Parekh	6. Sahkar Niketan Society, Navrangpura, Ahmedabad. Occ. Business	1 (One)	Occ. Service B. No. 38/694 Shivanandnagar Rakhiyal, Ahmedabad-380023
<b>Hasmukhlal Madhavlal Patel</b> S/o. Madhavlal P. Patel Sd/- H. M. Patel	Laxminagar Society New Vadaj, Ahmedabad 380 013 Occ. Service	1 (One)	
<b>Pravinkumar Bansulal Mehta</b> S/o. Bansulal C. Mehta Sd/- P. B. Mehta	E-4. Mehalaya Ahmedabad 380 014 Occ. Service	1 (One)	
	TOTAL	7 (SEVEN)	

Dated this 1<sup>st</sup> day of MAY, 1985.