

**SHAREHOLDERS AGREEMENT**

**DATED MAY 22, 2019**

**AMONG**

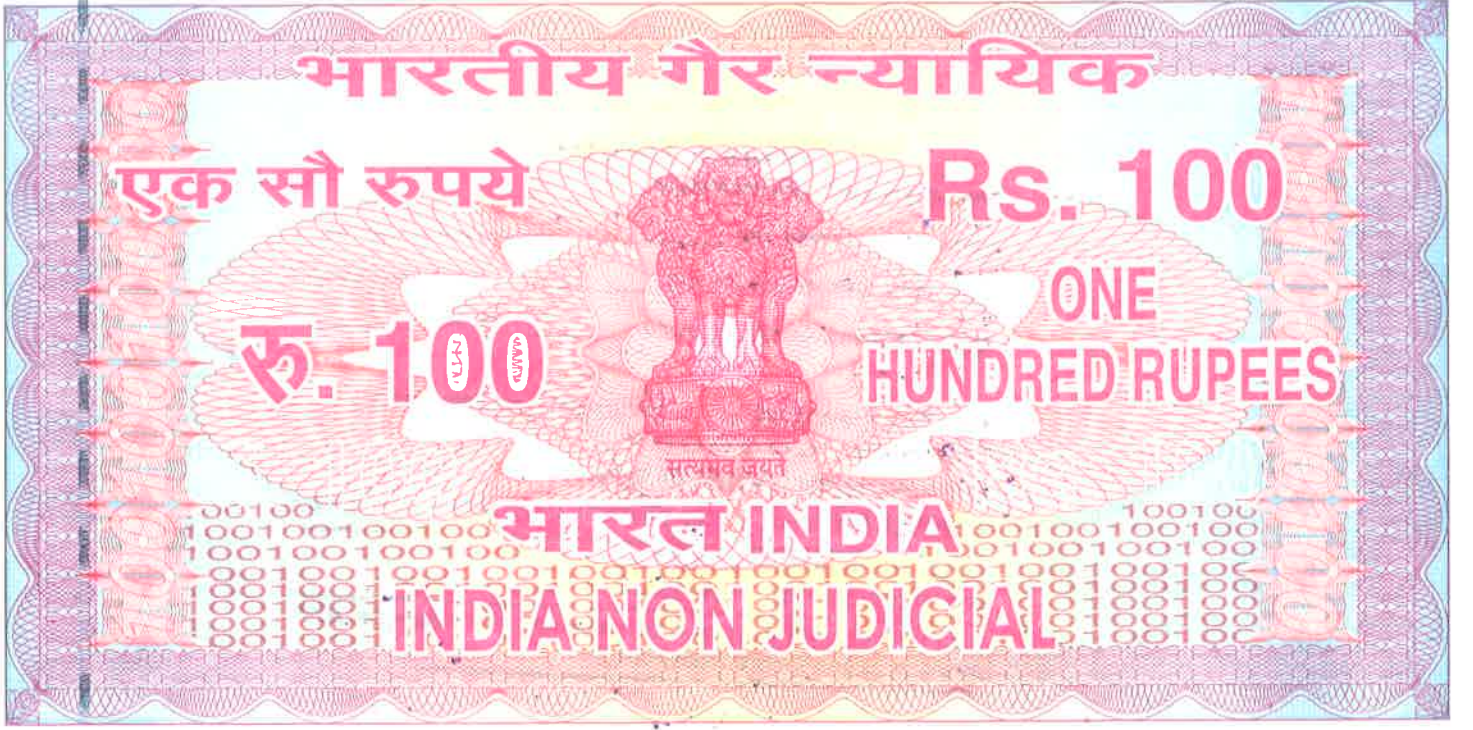
**THE ADI GROUP**

**AND**

**FAIRFAX INDIA**

**AND**

**FAIRCHEM ORGANICS LIMITED**



महाराष्ट्र MAHARASHTRA

● 2019 ●

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प्रधान मुद्रांक कार्यालय, मुंबई  
प.म.वि.क्र. ८०००००९  
5 - 9 APR 2019  
सक्षम अधिकारी

श्रीमती. एस. वि. मसुरकर

THIS STAMP PAPER FORMS AN INTEGRAL PART  
OF THE SHAREHOLDERS AGREEMENT DATED  
MAY 22, 2019 EXECUTED BY AND AMONG THE  
ADI GROUP, FIH MAURITIUS INVESTMENTS LTD,  
FIH PRIVATE INVESTMENTS LTD AND FAIRHEM  
ORGANICS LIMITED.

## SHAREHOLDERS AGREEMENT

This **SHAREHOLDERS AGREEMENT** is made at Mumbai on this 22<sup>nd</sup> day of May, 2019 (“**Execution Date**”) by and among:

**THE PERSONS LISTED IN SCHEDULE 1**, (hereinafter collectively referred to as the “**Adi Group**” which expression shall, unless repugnant to the context or meaning thereof, include any or all of them and their Permitted Transferees, as the case may be) of the **FIRST PART**;

**AND**

**FIH MAURITIUS INVESTMENTS LTD**, a private limited liability company incorporated under the laws of Mauritius whose registered office is at Level 1, Maeva Tower, Silicon Avenue, Cybercity, Ebene, 72201, Mauritius (hereinafter referred to as “**FIHM**” which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and Permitted Transferees) of the **SECOND PART**;

**AND**

**FIH PRIVATE INVESTMENTS LTD**, a private limited liability company incorporated under the laws of Mauritius whose registered office is at Level 1, Maeva Tower, Silicon Avenue, Cybercity, Ebene, 72201, Mauritius (hereinafter referred to as “**FIHPIL**” which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and Permitted Transferees) of the **THIRD PART**;

**AND**

**FAIRCHEM ORGANICS LIMITED**, a public company incorporated under the laws of India and with its registered office at Plot A-71, TTC Industrial Estate, Near Thane Belapur Road, Kopar Khairane, Mumbai – 400709, Maharashtra, India (hereinafter referred to as “**Company**” which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns) of the **FOURTH PART**.

FIHM and FIHPIL are collectively referred to as “**Fairfax India**”. The Adi Group, Fairfax India and the Company shall collectively be referred to as “**Parties**” and individually as a “**Party**”.

### **WHEREAS:**

- A. The Company is a public limited company incorporated under the Companies Act, 2013, and as on the Execution Date, is a wholly owned subsidiary of Fairchem Speciality Limited, a publicly listed company, incorporated under the Companies Act, 1956 (“**FSL**”).
- B. On the Effective Date (*as defined hereinafter*), the shareholding pattern of the Company shall be as set out in **Schedule 2** hereto.
- C. The Parties are entering into this Agreement to record their *inter se* rights, liabilities and agreements between the Parties hereto which shall come into effect from the Effective Date.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the sufficiency of which is acknowledged by the Parties, the Parties hereby agree as follows:

## **1 DEFINITIONS AND INTERPRETATION**

### **1.1 DEFINITIONS**

In this Agreement, the following terms shall have the following meanings assigned to them herein below:

“**Acceptance Notice**” shall have the meaning ascribed to it in Clause 2.4.1(ii).

“**Accepted Offer Shares**” shall have the meaning ascribed to it in Clause 2.4.1(ii).

“**Act**” means the Companies Act, 1956 and the Companies Act, 2013, as the case may be, for the time being in force, as amended from time to time and shall include any statutory replacement or re-enactment thereof, and any rules and regulations issued thereunder.

“**Adi Entities**” shall have the meaning ascribed to it in Clause 2.1.1.

“**Adi Group Exit Date**” shall have the meaning ascribed to it in Clause 3.2.

“**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 an Immediate Relative of such Party and any other Person Controlled by such Party or the Immediate Relatives of such Party.

“**Agreement**” means this shareholders agreement along with all exhibits, annexures and schedules attached hereto.

“**Anti – Corruption Laws**” means the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and related implementing legislation, and the Prevention of Corruption Act, 1988 of India.

“**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.

“**Assets**” means all assets (movable, immovable, tangible or intangible), whether owned or leased or otherwise acquired by or in possession of the Company and/ or any of its Subsidiaries, used in connection with the Company Business or otherwise.

“**Associate**” means and includes, in respect of a Person (“**Specific Person**”), any Person existing as of the Effective Date or at any time in the future:

- (i) that is an Affiliate of the Specific Person;
- (ii) that directly or indirectly, through one or more intermediate Persons, owns 20% (twenty per cent) or more of the vote carrying securities of the Specific Person; or
- (iii) of whom the Specific Person owns more than 20% (twenty per cent) of the vote carrying securities; or
- (iv) in case of a Specific Person who is a natural person, any Relative of such Specific Person, and any Person in which such natural Specific Person or his/her Relatives own more than 20% (twenty per cent) of the vote carrying securities; or
- (v) any Person identified as an associate under Accounting Standard 18 as notified by the Institute of Chartered Accountants of India.

“**Balance Offer Shares**” shall have the meaning ascribed to it in Clause 2.4.1(iv).

“**Board**” means the board of directors of the Company.

“**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 and Mauritius.

“**Canadian Securities Laws**” 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.

“**Charter Documents**” means the memorandum and articles of association.

“**Company Business**” means the business of processing by-products / waste products generated during refining of any kind of edible or non-edible vegetable oils and manufacture various kinds of fatty acids, nutraceuticals intermediates and / or their derivatives utilizing chemical, solvents, catalysts or physical process.

“**Competing Business**” means any business or activity, which is the same as or similar to or competes with the Company Business or any other business undertaken by Company and/ or its Subsidiaries.

“**Confidential Information**” shall have the meaning ascribed to it in Clause 10.1.

“**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 half or more than 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.

“**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 3**.

“**Default Call Consideration**” means an amount equal to the Default Call Price multiplied by the number of Default Call Shares.

“**Default Call Notice**” shall have the meaning ascribed to such term in Clause 2.3.2.

“**Default Call Option**” shall have the meaning ascribed to such term in Clause 2.3.1.

“**Default Call Price**” means a price per Equity Share equal to 75 % (seventy five per cent) of the 60 (sixty) day volume weighted average price prior to the date of the Default Call Notice of the Equity Shares of the Company on the stock exchange on which a higher volume of the Equity Shares of the Company has been traded during such period.

“**Default Call Shares**” shall have the meaning ascribed to such term in Clause 2.3.2.

“**Default Event**” means any of the following: (i) a breach of any representation, warranty, covenant or obligation under this Agreement by any member of the Adi Group, or (ii) a breach of any representation, warranty, covenant or obligation under the Nahoosh Key Employee Agreement by Mr. Nahoosh Jariwala.

“**Default Option Holder**” shall have the meaning ascribed to such term in Clause 2.3.1.

“**Director(s)**” means the directors of the Board of the Company.

“**Dispute Notice**” shall have the meaning set forth in Clause 13.1.

“**D&O Policy**” means a directors’ and officers’ liability insurance policy issued by a reputable insurance company in a form satisfactory to Fairfax India and the Adi Group, in respect of all claims or liabilities resulting from the actions or omissions of a director to the extent permitted by Applicable Law.

“**Effective Date**” shall mean the date on which the Scheme is made effective by filing of the order(s) of the National Company Law Tribunal approving the Scheme along with e-Form INC-28 (or any other e-Form as may be prescribed by the Ministry of Corporate Affairs from time to time in this regard) with the relevant Registrar of Companies.

“**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 power of attorney, voting trust agreement, interest, option, right of 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.

“**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).

“**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.

“**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.

“**FSL**” shall have the meaning ascribed to such term in Recital A.

“**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 subdivision thereof or any municipality, district or other subdivision thereof or in any other nation (including any political subdivision thereof).

“**IFRS Standards**” shall mean International Financial Reporting Standards as issued by the International Accounting Standards Board.

“**Immediate Relative**” means, with reference to any Person, means the spouse, children (including son and daughter) or parents of such Person.

“**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.

“**Indian GAAP**” means generally accepted accounting principles of India as issued by the Institute of Chartered Accountants of India.

“**Intellectual Property**” means intellectual property rights under Applicable Law, including, trade marks and trade names and the goodwill associated therewith, copyrights, all domain names, designs, processes, software, research and data; all registrations, applications and renewals for any of the foregoing.

“**Issuance Acceptance Period**” shall have the meaning ascribed to such term in Clause 8.3.

“**Market Offer Price**” shall have the meaning ascribed to such term in Clause 2.4.1(iv).

“**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.

“**Nahoosh Key Employee Agreement**” shall mean the key employment agreement dated November 4, 2015 executed by and between FSL and Mr. Nahoosh Jariwala, and shall include any subsequent employment agreement executed between Mr. Nahoosh Jariwala and the Company (on terms mutually agreeable to the Parties) in supersession of the foregoing, to record, *inter alia*, the terms of employment of Mr. Nahoosh Jariwala with the Company.

“**Non Acquiring Shareholder Group**” shall have the meaning ascribed to it in Clause 7.

“**OFAC**” means Office of Foreign Assets Control.

“**Offer Period**” shall have the meaning ascribed to it in Clause 2.4.1(ii).

“**Offer Price**” shall have the meaning ascribed to it in Clause 2.4.1(i).

“**Offer Shares**” shall have the meaning ascribed to it in Clause 2.4.1(i).

“**Ordinary Course of Business**” means the ordinary course of business consistent with past custom and practice, 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.

“**Permitted Purchase Shares**” shall have the meaning ascribed to it in Clause 2.4.1(v).

“**Permitted Transferee**” means: (A) in relation to the Adi 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; and (B) in relation to Fairfax India, any Affiliate of Fairfax India. Provided however that any Person engaged in a Competing Business will not be regarded as a Permitted Transferee.

“**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.

“**Pro Rata Share**” means the proportion that the number of Equity Securities held by a Shareholder Group bears to the aggregate number of Equity Securities held by all the Shareholder Groups, in each case on a fully diluted basis.

“**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.

“**Proposed Issuance**” shall have the meaning ascribed to such term in Clause 8.2.

“**Proposed Issuance Notice**” shall have the meaning ascribed to such term in Clause 8.2.

“**Proposed Recipient**” shall have the meaning ascribed to such term in Clause 8.1.

“**Public Official**” has the meaning ascribed to it in applicable Anti – Corruption Laws.

“**Related Party**” means (i) any Person who would be categorized as a “Related Party” or an “Associate Company” under the Act or Indian GAAP, with reference to the Company or the Adi Group; (ii) the Adi 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.

“**Related Party Transactions**” means any transactions or arrangements between the Company or any of its Subsidiaries on the one hand, and one or more Related Parties on the other hand.

“**Relative**” shall have the meaning ascribed to ‘relative’ under the Act.

“**Representatives**” shall have the meaning ascribed to such term in Clause 10.1.

“**Reserved Matters**” means the matters set out in **Schedule 4** with respect to the Company and its Subsidiaries.

“**Rupees**” or “**INR**” or “**Rs.**” means the lawful currency of India.

“**Scheme**” means a composite scheme of arrangement under Section 230-232 of the Act, 2013

proposed to be filed by the FSL, the Company and Privi Organics India Limited with the National Company Law Tribunal.

“**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.

“**Share Capital**” means the issued and paid-up equity share capital of the Company, on a fully diluted basis.

“**Shareholder**” means a registered shareholder of the Company from time to time.

“**Shareholder Group**” means each of the Adi Group and Fairfax India.

“**Stock Exchanges**” 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.

“**Subsidiary**” means a subsidiary within the meaning of the Act.

“**Takeover Regulations**” shall mean the Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 2011, as amended from time to time.

“**Third Party Transferee**” shall have the meaning ascribed to it in Clause 2.4.1.

“**Transaction Documents**” means this Agreement and any other documents required to be executed by any Party hereto in connection with the transactions contemplated under this Agreement.

“**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.

“**Transfer Notice**” shall have the meaning ascribed to it in Clause 2.4.1(i).

## 1.2 **INTERPRETATION**

1.2.1 In addition to the above terms, certain terms may be defined in the recitals or elsewhere in this Agreement and wherever, such terms are used in this Agreement, they shall have the meaning so assigned to them.

1.2.2 The terms referred to in this Agreement shall, unless defined otherwise or inconsistent with the context or meaning thereof, bear the meaning ascribed to them under the relevant statute/ legislation.

1.2.3 All references in this Agreement to statutory provisions shall be construed as meaning and including references to:

- (a) any statutory modification, consolidation or re-enactment made after the date of this Agreement and for the time being in force;
  - (b) all statutory instruments or orders made pursuant to a statutory provision; and
  - (c) any statutory provisions of which these statutory provisions are a consolidation, re-enactment or modification.
- 1.2.4 A reference to “consent of Fairfax India”, “acceptable to Fairfax India” or “the satisfaction of Fairfax India”, shall in each scenario, be construed to mean the “consent of Fairfax India to be exercised in its sole discretion”, “acceptable to Fairfax India at its sole discretion” or the “the satisfaction of Fairfax India, at its sole discretion”, as the case maybe.
- 1.2.5 In calculations of share numbers or share capital, references to a “fully diluted basis” mean that the calculation should be made assuming that all outstanding options, warrants and other equity securities convertible into or exercisable or exchangeable for equity shares (whether or not by their term then currently convertible, exercisable or exchangeable), have been so converted, exercised or exchanged.
- 1.2.6 Words denoting the singular shall include the plural and words denoting any gender shall include all genders.
- 1.2.7 Headings, subheadings, titles, subtitles to clauses, sub-clauses and paragraphs are for information only and shall not form part of the operative provisions of this Agreement or the annexures hereto and shall be ignored in construing the same.
- 1.2.8 References to recitals, clauses or annexures are, unless the context otherwise requires, references to recitals, clauses and annexures to this Agreement.
- 1.2.9 Reference to days, months and years are to calendar days, calendar months and calendar years, respectively.
- 1.2.10 Any reference to “writing” shall include printing, typing, lithography and other means of reproducing words in visible form.
- 1.2.11 The words “include” and “including” are to be construed without limitation.

## **2 TRANSFER OF EQUITY SECURITIES**

### **2.1 Transfers by the Adi Group**

- 2.1.1 Mr. Nahoosh Jariwala and/ or his Immediate Relatives shall be the sole legal and beneficial owners of 100% (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) (collectively, the “**Adi Entities**”), 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 the Adi Entities and Mr. Nahoosh Jariwala shall continue to Control the Adi Entities.

2.1.2 Notwithstanding the provisions of Clause 2.1.2 above and Clause 2.4 below, the Adi 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 Adi 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 Clause 2.1.2 to any of the members of its Adi 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 Clause 2.1 and Clause 2.4; and
- (v) If the Adi Group Transfers any Equity Securities to any of its Permitted Transferees in accordance with this Clause 2.1.2, the Adi 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.

2.1.3 The Adi Group agrees that the provisions under this Clause 2.1 and under Clause 2.4 in relation to the Transfer shall be observed in letter and spirit, and form a key understanding between the Parties for the execution of this Agreement. It is further clarified that the Adi Group shall not circumvent such provisions through any indirect Transfer or sale or dilution including but not limited to transfer of ownership in an entity held by the Adi Group (except in case of the Permitted Transferees), which owns the Equity Shares in the Company. Any sale, disposal, creation of an Encumbrance or enforcement of an Encumbrance in relation to the equity securities of the Adi Entities, or any dilution in the shareholding of Mr. Nahoosh Jariwala and / or his Immediate Relatives in the Adi Entities shall be deemed to constitute a Transfer of Equity Shares by Mr. Nahoosh Jariwala and his Immediate Relatives under this Agreement and shall be subject to the provisions of this Agreement.

2.1.4 Any Transfer of Equity Securities by Mr. Nahoosh Jariwala or the Adi Entities to any Person other than a Permitted Transferee as contemplated in Clause 2.1.2 above, shall be subject to the provisions of Clause 2.4.

2.1.5 Any Transfer of Equity Securities by Mr. Nahoosh Jariwala or the Adi Entities in violation of Clause 2.1 or Clause 2.4 shall be null and void *ab initio* and the Company shall not record such Transfer upon receipt of any application for such Transfer or intimation provided in relation to the Transfer or otherwise. Any Transfer of equity securities of the Adi Entities in violation of Clause 2.1 shall be null and void *ab initio* and the Adi Entities shall not record such Transfer.

## 2.2 Transfers by Fairfax India

2.2.1 Fairfax India shall have the right to Transfer all or any of Equity Shares held by it to any Person at any time.

2.2.2 All or any of the rights and benefits and obligations of Fairfax India under this Agreement and other Transaction Documents can be assigned by Fairfax India to an Affiliate along with any Transfer of Equity Shares by Fairfax India to such Affiliate.

## 2.3 Default Call Option

2.3.1 Upon the occurrence of a Default Event, Fairfax India (“**Default Option Holder**”) shall have the right, but not the obligation, to purchase all or part (at the sole discretion of the Default Option Holder) of the Equity Shares held by the Adi Group (“**Default Call Option**”) at a price per Equity Share equal to the Default Call Price. Fairfax India may nominate an Affiliate and/or third Person(s), for the purpose of the exercise of the Default Call Option and in such case such Person(s) shall be the Default Option Holder(s).

2.3.2 In the event that the Default Option Holder(s) propose(s) to exercise the Default Call Option, the Default Option Holder(s) shall issue a written notice within a period of 30 (thirty) Business Days of the occurrence of the Default Event or of Fairfax India becoming aware of the occurrence of the Default Event, whichever is later, (the “**Default Call Notice**”) to the Adi Group, which written notice shall state that the Default Option Holder wishes to purchase the Equity Shares held by the Adi Group and such notice shall state the number of Equity Shares the Default Option Holder wishes to purchase (“**Default Call Shares**”).

2.3.3 The Default Option Holder shall purchase the Default Call Shares within 30 (thirty) Business Days from the date of the Default Call Notice or such longer period as required for receipt of all consents required by the Default Option Holder for the purchase. At such closing, the Adi Group shall deliver certificates representing the Default Call Shares accompanied by duly executed transfer instructions to the relevant depository participant and upon receipt of the same, the Default Option Holder shall deliver payment in full of the Default Call Consideration. The Default Call Shares shall be free and clear of any Encumbrances and the Adi Group shall so represent and warrant and shall further represent and warrant that they are the beneficial and record owners of their respective Default Call Shares. At such closing, all the parties to the transaction shall execute such additional documents as may be necessary or appropriate to effect the sale of the Default Call Shares to the Default

Option Holder.

## 2.4 **Right of First Refusal**

2.4.1 In the event that Adi Group proposes to Transfer all or some of their Equity Securities to any Person other than a Permitted Transferee in terms of Clause 2.1.2 (“**Third Party Transferee**”), then the following provisions shall apply:

- (i) The Adi Group shall first deliver a written notice (“**Transfer Notice**”) to Fairfax India, which notice shall state (i) the number of Equity Shares proposed to be transferred by the Adi Group (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 Adi Group proposes to sell their shares on the floor of the Stock Exchange in a non-negotiated, non-synchronized trade, as the case maybe (the “**Offer Price**”), and (iii) the name and address and beneficial ownership of the Third Party Transferee, unless the Adi Group proposes to sell their shares on the floor of the Stock Exchange in a non-negotiated, non-synchronized trade. The Transfer Notice shall constitute an irrevocable offer by the Adi Group to sell the Offer Shares to Fairfax India 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 Clause 2.4).
- (ii) Within a period of 5 (five) Business Days from the receipt of the Transfer Notice (the “**Offer Period**”), Fairfax India shall have the right, exercisable by them through the delivery of an acceptance notice (“**Acceptance Notice**”), to agree to purchase all or part of the Offer Shares or the Permitted Purchase Shares, whichever is lower, at the Offer Price. The aggregate number of Offer Shares being purchased by Fairfax India pursuant to the Acceptance Notice shall be referred to as the “**Accepted Offer Shares**”.
- (iii) Subject to Applicable Law, the closing of the purchase of the Offer Shares by Fairfax India from the Adi Group shall take place within a period of 10 (ten) Business Days of the Acceptance Notice or such longer period as may be required to obtain regulatory approvals or as may be required under the Takeover Regulations.
- (iv) In the event (a) Fairfax India does not deliver an Acceptance Notice within the Offer Period, or (b) Fairfax India (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, or (c) Fairfax India 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 (d) 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 Adi Group 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.

Provided that if the Adi Group 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 Adi Group shall deliver a written notice to Fairfax India 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**”). Fairfax India shall have the right, exercisable by them through the delivery of an acceptance notice to the Adi Group 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 (two) Business Days from the date of such acceptance notice.

- (v) For the purpose of this Clause 2.3, the term “**Permitted Purchase Shares**” shall mean the maximum number of Offer Shares that Fairfax India can agree to purchase without being required to make a public offer under the Takeover Regulations.
- (vi) If Fairfax India is not permitted to purchase the relevant Offer Shares at the Offer Price under the applicable pricing guidelines notified by the Reserve Bank of India, it shall be entitled to identify a Person to purchase such Offer Shares and all references to Fairfax India for the purpose of Clause 2.4 shall include such Person.

### **3 NON COMPETE AND NON SOLICIT**

- 3.1 Mr. Nahoosh Jariwala shall devote his whole time and attention, to the business of the Company and shall not take up any executive position or executive responsibilities in any other entity.
- 3.2 Mr. Nahoosh Jariwala hereby agrees that from the Effective Date and until the expiry of 2 (two) years from the date on which (a) the Adi Group and their respective Affiliates, cease to hold any Equity Securities in the Company; and (b) the Nahoosh Key Employee Agreement is terminated, whichever is later, (“**Adi Group Exit Date**”) Mr. Nahoosh Jariwala shall not and shall procure that his Associates or Relatives shall not, directly or indirectly other than through the Company and its Subsidiaries:
  - 3.2.1 invest in, carry on, manage, operate, conduct, join, assist, have any financial interest in (as shareholder or otherwise), control, or participate in or be engaged in (whether as a shareholder, director, employee, officer, agent, advisor, or a member of any management or executive committee of a company, a partner of a partnership firm, designated partner of a limited liability partnership, or proprietor of a proprietorship firm, or any other entity whether registered under Applicable Law or not or

otherwise), any undertaking, venture, business or Person (including, but not limited to, any joint venture, partnership or other arrangement of whatsoever nature), in each case, that is a Competing Business; or

3.2.2 be concerned in any business, directly or indirectly, manufacturing, operating, selling or distributing products or services which compete, or may compete, with any business then carried on by the Company or any of its Subsidiaries; or

3.2.3 on their own account or as an agent of any Person, canvass or solicit for any Competing Business.

3.3 With effect from the Effective Date and until a period of 2 (two) years from the Adi Group Exit Date, Mr. Nahoosh Jariwala shall not, and shall procure that his Associates shall not, by themselves or on behalf of any Person directly or indirectly:

3.3.1 hire or solicit or attempt to hire or solicit the employment of any officer, director, or employee of the Company or any of its Subsidiaries;

3.3.2 induce or attempt to induce any officer, director, or employee of the Company or any of its Subsidiaries to leave the employment or otherwise interfere in any manner with the contractual, employment or other relationship of such persons;

3.3.3 tender for, canvass or solicit or attempt to tender for, canvass or solicit the business of or employment of any current client or customer of the Company or any of its Subsidiaries;

3.3.4 induce or attempt to induce any client, customer, vendor or supplier of the Company or any of its Subsidiaries to cease to deal with the Company or its Subsidiaries or otherwise interfere with the relationship between such client, customer or supplier and the Company or its Subsidiaries; or assist, influence, encourage or induce such action in any manner whatsoever.

3.4 Mr. Nahoosh Jariwala agree that the Company and its Subsidiaries shall be the exclusive vehicle through which the Company Business shall be undertaken. Any new opportunity (including, without limitation, opportunities relating to new business lines and geographies, assets, operations, clients, customers, partnerships and other corporate opportunities) in relation to the Company Business shall be exclusively presented to the Board and only pursued by the Company or any of its Subsidiaries.

#### **4 REASONABLENESS**

4.1 Mr. Nahoosh Jariwala and the Company agree that the covenants of non-competition and non-solicitation contained in Clause 3 are reasonable covenants, integral and necessary for protecting the goodwill and value of the Company or its Subsidiaries, and that a violation of any of the terms of such covenants and obligations shall cause Fairfax India and the Company irreparable injury. In the event of such violation, Fairfax India and the Company shall be entitled to seek an interim injunction, restraining order or such other equitable relief as a court of competent jurisdiction may deem necessary or appropriate to restrain Mr. Nahoosh



Jariwala or their Associates. These injunctive remedies are cumulative and in addition to any other rights and remedies that Fairfax India may have in law or in equity.

## **5 BUSINESS PRACTICES**

- 5.1 Each of the Company, its Subsidiaries and their respective officers, directors and employees, acting in an official capacity for and on behalf of the Company or any of its Subsidiaries (as the case may be), shall comply with applicable Anti-Corruption Laws, including those prohibiting the Company, its Subsidiaries and their officers and directors from taking corrupt actions in furtherance of an offer, payment, promise to pay or authorisation of the payment of anything of value, including cash, cheques, wire transfers, tangible and intangible gifts, favours, services, and those entertainment and travel expenses that go beyond what is reasonable and customary and of modest value to a Public Official, while knowing or having a reasonable belief that all or some portion will be used for the purpose of:
- 5.1.1 influencing any act, decision or failure to act by a Public Official in his official capacity,
  - 5.1.2 inducing a Public Official to use his influence with a government or instrumentality to affect any act or decision of such government or entity, or
  - 5.1.3 securing an improper advantage,
  - 5.1.4 in order to obtain, retain or direct business.
- 5.2 Each of the Company, its Subsidiaries, their respective officers, directors and employees, acting in an official capacity for and on behalf of the Company and/or its Subsidiaries shall not or use the payments received, or to be received, by them from Fairfax India for any purpose that could constitute a violation of any Applicable Law.
- 5.3 Insofar as representative or agents of the Company and/or its Subsidiaries are concerned, the Company and its Subsidiaries shall not direct any such Person acting on behalf of the Company to undertake any act that is not in compliance with any Applicable Law referred to in Clauses 0 or 5.2 above.
- 5.4 Neither the Company, its Subsidiaries, nor any of their directors, officers, employees, Affiliates shall take any action, directly or indirectly, that would result in a violation by such persons of any Anti-Corruption Laws, as amended, and the rules and regulations under it, including but not limited to, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorisation of the payment of any money, or other property, gift, promise to give, or authorisation of the giving of anything of value to any “foreign official” (as defined in applicable Anti-Corruption Laws) or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the applicable Anti-Corruption Laws.
- 5.5 Neither the Company, its Subsidiaries, nor any of their directors, officers, agents, employees, Affiliates or other Persons acting for or on their behalf, shall whether directly or indirectly use

any consideration paid by Fairfax India pursuant to the Transaction Documents (or any part thereof), or lend, contribute or otherwise make available such consideration (or any part thereof) to any subsidiary, joint venture partner or other Person, for the purpose of financing the activities of any Person currently subject to any U.S. sanctions administered by OFAC. The Company and its Subsidiaries are not identified on the Prohibited Lists or are not, in any other way, a target of the prohibitions on financial transactions with United States persons. The Company and its Subsidiaries shall not engage in a transaction which is documented in writing (as an agreement or otherwise) with Burma (Myanmar), Western Balkans, Belarus, Cote d'Ivoire, Cuba, Democratic Republic of the Congo, Iran, Iraq, Liberia (Former Regime of Charles Taylor), Lebanon, North Korea, Sudan, Syria or Zimbabwe or with a national of any of these countries, or with any Person listed on the most recently published "Specially Designated Nationals" list of the U.S. Treasury Department as an agent of any of the countries listed in this sentence.

#### 5.6 Ongoing Reporting Requirements on an Annual Basis.

5.6.1 Within the first 30 (thirty) days of each financial year (or such other period as may be required by Fairfax India Holdings Corporation), the Company shall produce annual financial statements (including a balance sheet, profit and loss statement, a statement of change in equity and a cash flow statement, as well as the required notes to such financial statements) for the preceding year in accordance with IFRS Standards, and shall submit such annual financial statements, together with the auditor's report in accordance International Standards on Auditing, to Fairfax India Holdings Corporation.

5.6.2 The Company will also provide Chief Executive Officer and Chief Financial Officer annual certifications on the internal controls and accounting policy followed in a format provided by Fairfax India Holdings Corporation.

5.6.3 The Company shall provide financial information or any relevant data in a format mutually agreed between the Company and Fairfax India Holdings Corporation, for annual valuation and other reporting obligations of Fairfax India and its Affiliates. The Company hereby consents to the inclusion of any such information in any regulatory filings under the Canadian Securities Laws or as deemed necessary by Fairfax India Holdings Corporation.

5.6.4 Within 30 (thirty) days of each financial year of the Company, the Company shall produce an annual president's report in a format provided by Fairfax India Holdings Corporation.

#### 5.7 Ongoing Reporting Requirements on a quarterly basis.

5.7.1 The Company shall also prepare, on a quarterly basis, within 30 (thirty) days of the end of each financial quarter of the Company (or such other period as may be required by Fairfax India Holdings Corporation), quarterly financial statements of the Company in accordance with IFRS Standards, for submission to Fairfax India Holdings Corporation.

- 5.7.2 The Company will also provide quarterly Chief Executive Officer and Chief Financial Officer certifications on the internal controls and accounting policy followed in a format provided by Fairfax India Holdings Corporation.
- 5.7.3 Within 30 (thirty) days after the end of each financial quarter of the Company the Company shall produce a quarterly president's report in a format provided by Fairfax India Holdings Corporation.
- 5.7.4 The Company shall provide financial information or any relevant data in a format mutually agreed between the Company and Fairfax India Holdings Corporation, for quarterly valuation and other reporting obligations of Fairfax India Holdings Corporation and its Affiliates.
- 5.8 The Company and its management hereby consents and will request its statutory auditor to consent, to the inclusion of the financial information of the Company in any regulatory filings of Fairfax India Holdings Corporation (Fairfax India's parent) and/ or any of its Affiliates, under Canadian Securities Laws or as deemed necessary by Fairfax India.
- 5.9 The Company shall reasonably cooperate, and shall cause its respective Subsidiaries, officers, employees, and auditors to reasonably cooperate in preparing and auditing, as applicable, at Fairfax India Holdings Corporation, any financial information that the Fairfax India Holdings Corporation or any of its Affiliates may request in connection with filings required under the Canadian Securities Laws.

## **6 CORPORATE GOVERNANCE**

- 6.1 For so long as the Adi Group holds at least 5% (five per cent) of the Share Capital (on a fully diluted basis), the Adi Group shall have the right to nominate 1 (one) Director on the Board. The Board shall also appoint such number of independent directors, as they may deem appropriate, subject to Applicable Law.
- 6.2 At any Board meeting, each Director shall have 1 (one) vote. Subject to the provisions of the Act, the quorum for all Board meetings shall be 3 (three) Directors or 1/3rd (one third) of the total number of Directors on the Board at any given time, whichever is higher. Provided that at least 1 (one) director nominated by Fairfax India shall be required to be present at all meetings of the Board in order to constitute quorum.
- 6.3 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 or any of its Subsidiaries), without the prior written approval of Fairfax India.
- 6.4 The Parties acknowledge that Fairfax India 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 Reserved Matters other than as determined by Fairfax India. If Fairfax India provides any directions in respect of any of the Reserved 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.

- 6.5 In the event that a decision in relation to any Reserved Matter is made by the Company or any of its Subsidiaries other than in accordance with the provisions of this Clause 6, such decision and any actions taken pursuant to such decisions shall be *ab initio* null and void.
- 6.6 The Parties shall undertake to cause necessary steps to be undertaken to amend the articles of association of the Company, to the extent required, to incorporate the relevant provisions of this Agreement (including the provisions of this Clause 6).
- 6.7 The Company shall maintain a D&O Policy for the Directors on the Board nominated by the Adi Group and Fairfax India.

## 7 FURTHER ACQUISITION OF SHARES

Each of the Shareholder Groups shall be entitled to acquire by way of secondary purchase (whether on the floor of the Stock Exchange or otherwise), their Pro Rata Share out of an aggregate of 5% (five per cent) of the Share Capital (on a fully diluted basis) in a Financial Year, subject to compliance with the requirement to maintain minimum public shareholding under and in accordance with the provisions of the Securities Contracts (Regulation) Rules, 1957. In the event, any Shareholder Group does not purchase such portion of its Pro Rata Share in a Financial Year (“**Non Acquiring Shareholder Group**”), subject to Applicable Law, the other Shareholder Group shall have the right to purchase such unutilised Pro Rata Share of the Non Acquiring Shareholder Group. The provisions of this Clause shall not restrict any rights of a Shareholder Group under Clause 2.

## 8 PRE-EMPTIVE RIGHT

- 8.1 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 this Clause 8, 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 this Clause 8.
- 8.2 Not less than 7 (seven) Business Days before a proposed issuance of Equity Securities by the Company as per Clause 8.1 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.
- 8.3 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 the next succeeding sentence, failure by a Shareholder Group to give such notice within the Issuance Acceptance Period shall be deemed a waiver of its rights under this Clause 8 with respect to such Proposed Issuance.

- 8.4 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 Clause 8.2.

## 9 REPRESENTATIONS AND WARRANTIES

- 9.1 Each Party hereby represents and warrants that:

9.1.1 It has the requisite corporate power, authority and capacity to enter into this Agreement and the other documents contemplated hereby to which it will be a party and to perform its obligations hereunder. The execution, delivery and performance of this Agreement to which it is a party has been duly and validly authorized by all necessary corporate action on its part;

9.1.2 This Agreement has been duly executed and delivered by it and constitutes valid, legal and binding obligations on it, enforceable against it in accordance with its terms, except to the extent that enforcement may be limited by applicable bankruptcy, insolvency or other laws of general applicability affecting creditors' rights or the application of equitable principles; and

9.1.3 Neither the execution nor the delivery of this Agreement nor the consummation of the transactions contemplated hereby, shall (i) conflict with, result in breach of any of the provisions of, (ii) constitute a default under, (iii) result in the violation of, termination, acceleration, modification, loss of benefit or creation of a lien under, or (iv) require any authorisation, consent, approval, execution or other action by or notice to any Governmental Authority, under the provisions of any contract to which such Party is a party or may be bound or instrument or organizational documents to which it is bound or affected, or pursuant to any Applicable Law.

## 10 CONFIDENTIALITY OBLIGATIONS

- 10.1 General Obligation. Each Party agrees and undertakes that it shall not reveal, and shall ensure that its directors, officers, managers, employees (including those on secondment), Affiliates, legal, financial and professional advisors and bankers (collectively, "**Representatives**") to whom Confidential Information is made available do not reveal, to any third party any Confidential Information, without the prior written consent of: (i) Fairfax India, in case of Confidential Information pertaining to Fairfax India or the Company; and (ii) the respective members of the Adi Group, in case of Confidential Information pertaining to that member of the Adi Group or the Company Business (other than in case of disclosure to potential investors or lenders of the Company). The term "**Confidential Information**" as used in this Agreement means (i) any information concerning the organisation, business, Intellectual Property, finance, transactions or affairs of the Party to this Agreement or any of their respective Representatives (whether conveyed in written, oral or in any other form and whether such information is furnished before, on or after the Execution Date); (ii) any information whatsoever concerning or relating to (1) any dispute or claim arising out of or in connection with the Transaction Documents; or (2) the resolution of such claim or dispute;

and (iii) any information or materials prepared by or for a Party or its Representatives that contain or otherwise reflect, or are generated from, Confidential Information.

10.2 Exceptions. The provisions of Clause 10.1 above shall not apply to:

10.2.1 disclosure of Confidential Information that is or comes into the public domain or becomes generally available to the public other than through the act or omission of or as a result of disclosure by or at the direction of a Party or any of its Representatives in breach of this Agreement;

10.2.2 disclosure, after giving prior notice to the other Parties to the extent practicable under the circumstances or permissible by Applicable Law and subject to any practicable arrangements to protect confidentiality, to the extent required under the rules of any stock exchange or Governmental Authority by Applicable Law or governmental regulations or judicial process or generally accepted accounting principles applicable to any Party;

10.2.3 Confidential Information acquired independently by a Party from a third party source not obligated to the Party disclosing Confidential Information to keep such information confidential;

10.2.4 Confidential Information already known or already in the lawful possession of the Party receiving Confidential Information as of the date of its disclosure by the Person disclosing such Confidential Information; and

10.2.5 disclosure in connection with the performance of obligations or the exercise of rights (including remedies) under this Agreement.

10.3 The restrictions contained in this Clause 10 shall continue to apply after termination of this Agreement without limit in time.

10.4 Notwithstanding anything contained herein, Fairfax India shall be entitled to disclose this Agreement and the transactions contemplated herein and provide such information as may be required in relation to the same to its lenders, creditors, prospective lenders, creditors and investors and prospective investors.

10.5 Subject to the provisions of this Clause 10, no announcement, circular or communication concerning the transactions and matters contemplated herein shall be made by any Party (or any Affiliates of the Parties or Representatives of a Party) without the prior written consent of the other Parties.

## **11 TERM AND TERMINATION**

11.1 This Agreement shall come into effect on the Effective Date.

11.2 This Agreement shall stand terminated:

11.2.1 automatically as regards any Shareholder Group, upon such Shareholder Group

(together with its Permitted Transferees) ceasing to hold any Equity Securities in the Company;

11.2.2 at any time by consent of each of the Company, the Adi Group and Fairfax India in writing.

11.3 It is clarified that the termination of the Agreement vis-à-vis any Shareholder of the Company shall not ipso facto terminate the Agreement vis-à-vis the other Parties hereto and the provisions of this Agreement shall continue to be valid and binding on such other Parties. If this Agreement is terminated pursuant to Clause 11.2 above, this Agreement shall have no further force or effect and, unless expressly provided otherwise in this Agreement, no Party shall have any further liability or obligation with respect to this Agreement. The provisions of Clause 3 (*Non Compete and Non Solicit*), Clause 4 (*Reasonableness*), Clause 9 (*Representations and Warranties*), Clause 10 (*Confidentiality Obligations*), Clause 12 (*Governing Law and Jurisdiction*), Clause 13 (*Arbitration*), Clause 14 (*Miscellaneous*) and this Clause 11.3, shall survive the termination of this Agreement and nothing herein shall relieve any Party from its obligations under such provisions or from any liability pursuant to this Agreement prior to its termination.

## 12 GOVERNING LAW AND JURISDICTION

This Agreement shall be governed and construed in accordance with the laws of India without reference to its conflict of laws principles. Subject to Clause 13 (*Arbitration*), the courts of Mumbai shall have exclusive jurisdiction over any legal action or proceeding arising out of or in connection with this Agreement.

## 13 ARBITRATION

13.1 Arbitration. Any dispute or claim arising out of or in connection with or relating to this Agreement or the breach, termination or invalidity hereof, shall be referred at the request in writing (“**Dispute Notice**”) of any Party to binding arbitration by 1 (one) arbitrator in accordance with Rules of the Singapore International Arbitration Centre (the “**Rules**”) as may be modified by the provisions of this Clause 13. Within 21 (twenty one) days after any Party has served a Dispute Notice, the Parties shall jointly appoint 1 (one) arbitrator. If the Parties cannot agree on the appointment of an arbitrator, the arbitrator shall be appointed in accordance with the Rules. All arbitration proceedings shall be conducted in the English language and the seat of arbitration shall be Singapore. The Parties would be entitled to seek interim relief from the courts of India. The arbitrator shall decide any such dispute or claim strictly in accordance with the governing law specified in Clause 12. Judgment upon any arbitral award rendered hereunder may be entered in any court having jurisdiction, or application may be made to such court for a judicial acceptance of the award and an order of enforcement, as the case may be.

13.2 Costs. The costs and expenses of the arbitration, including the fees of the arbitration and the arbitrator, shall be borne equally by each Party to the dispute or claim and each Party shall pay its own fees, disbursements and other charges of its counsel, except as may be determined by the arbitrator. The arbitrator would have the power to award interest on any sum awarded pursuant to the arbitration proceedings and such sum would carry interest, if awarded, until

the actual payment of such amounts.

13.3 **Final and Binding.** Any award made by the arbitrator shall be final and binding on each of the Parties that were parties to the dispute.

13.4 **Continuing Obligation.** Subject to the award of the arbitrator, neither the existence of any dispute nor the fact that any arbitration is pending hereunder shall relieve any of the Parties of their respective obligations under this Agreement. Subject to any award of the arbitrator, the pendency of a dispute in any arbitration proceeding shall not affect the performance of the obligations under this Agreement.

## **14 MISCELLANEOUS**

### **14.1 Notices**

14.1.1 Any notice provided for in this Agreement shall be in writing and shall be (i) transmitted by facsimile transmission, (ii) sent by postage, prepaid registered post with acknowledgement due or by internationally recognized courier service, or (iii) transmitted by email:

1. **In the case of notices to the Company:**

Address: C/o: Fairchem Speciality Limited, 253/P & 312, Village Chekhala, Sanand kadi Highway, Tal. Sanand, Dist. Ahmedabad - 382115

Tel: Board No.: 90163 24095, Mobile No.: 76219 76865  
Attention: Mr. Rajen Jhaveri  
Email: rajen.jhaveri@fairchem.in

2. **In the case of notices to FIHM:**

Address: Level 1, Maeva Tower, Silicon Avenue, Cybercity, Ebene 72201 Mauritius  
Attention: Ms. Amy Tan  
Email: [amy.tan@fihmauriti.us.com](mailto:amy.tan@fihmauriti.us.com)  
with copy to: [info@fihmauriti.us.com](mailto:info@fihmauriti.us.com)

3. **In the case of notices to FIHPIL:**

Address: Level 1, Maeva Tower, Silicon Avenue, Cybercity, Ebene 72201 Mauritius  
Attention: Ms. Amy Tan  
Email: [amy.tan@fihmauriti.us.com](mailto:amy.tan@fihmauriti.us.com)  
with copy to: [info@fihmauriti.us.com](mailto:info@fihmauriti.us.com)

4. **In the case of notices to the Adi Group:**



Address: 3, SIGMA Corporates, Sindhu Bhavan Road, Off S.G. Road,  
Ahmedabad – 380 059  
Attention: Shri Utkarsh Shah  
Email: [ubs@adicorpindia.net](mailto:ubs@adicorpindia.net)

With a copy to:

Address: JARIWALA' Bunglow, Beside Shashwat Bunglows, Rajpath  
Club – Rangoli Road, Thaltej, AHMEDABAD – 380 059  
Attention: Shri Nahoosh Jariwala  
Email: [njj@fairchem.in](mailto:njj@fairchem.in)

14.1.2 All notices shall be deemed to have been validly given on (i) the Business Day immediately after the date of transmission with confirmed answer back, if transmitted by facsimile transmission, (ii) the Business Day immediately after the date of transmission, if transmitted by email transmission, and (iii) upon receipt, if sent by post.

14.1.3 Either Party may, from time to time, change its address or representative for receipt of notices provided for in this Agreement by giving to all the other Party not less than 10 (ten) days prior written notice.

#### 14.2 Further Assurances

14.2.1 The Parties to this Agreement shall from time to time execute and deliver all such further documents and do all acts and things as the other Party may reasonably require to effectively carry on the full intent and meaning of this Agreement and to complete the transactions contemplated hereunder.

14.2.2 If, for any reason whatsoever, any term contained in this Agreement cannot be performed or fulfilled, the Parties agree to meet and explore alternative solutions depending upon the new circumstances, but keeping in view the spirit and core objectives of this Agreement.

#### 14.3 Guarantees

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 Company or the Subsidiaries.

#### 14.4 Amendments

No modification or amendment to this Agreement shall be valid or binding unless made in writing and duly executed by or on behalf of the Parties.

#### 14.5 Waiver

No failure or delay on the part of any Party to this Agreement relating to the exercise of any

right, power, privilege or remedy provided under this Agreement shall operate as a waiver of such right, power, privilege or remedy or as a waiver of any preceding or succeeding breach by the other Party to this Agreement nor shall any single or partial exercise of any right, power, privilege or remedy preclude any other or further exercise of such or any other right, power, privilege or remedy provided in this Agreement all of which are several and cumulative and are not exclusive of each other or of any other rights or remedies otherwise available to a Party under Applicable Law or in equity.

#### 14.6 Assignment

This Agreement and the rights and liabilities hereunder shall bind and inure to the benefit of the respective successors of the Parties hereto. The Parties shall not assign or transfer any of their rights and liabilities hereunder to any other Person without the prior written consent of the other Party, except that Fairfax India may transfer its rights, interest and obligations hereunder to any Affiliate to whom it Transfers its Equity Shares, subject to Applicable Law.

#### 14.7 Reservation of Rights

No forbearance, indulgence or relaxation or inaction by any Party at any time to require performance of any of the provisions of this Agreement shall in any way affect, diminish or prejudice the right of such Party to require performance of that provision. Any waiver or acquiescence by any Party of any breach of any of the provisions of this Agreement shall not be construed as a waiver or acquiescence of any right under or arising out of this Agreement or of the subsequent breach, or acquiescence to or recognition of rights other than as expressly stipulated in this Agreement.

#### 14.8 Independent Rights

Each of the rights of the Parties hereto under this Agreement are independent, cumulative and without prejudice to all other rights available to them, and the exercise or non-exercise of any such rights shall not prejudice or constitute a waiver of any other right of the Party, whether under this Agreement or otherwise.

#### 14.9 Joint and Several Liability

Notwithstanding anything contained herein, the liability of each Person in the Adi Group with respect to their obligations hereunder shall be joint and several.

#### 14.10 Specific Performance

Each Party acknowledges and agrees that the breach of this Agreement would cause irreparable damage to the other Parties and that the other Parties may not have an adequate remedy at law. Therefore, the obligations of each Party under this Agreement, shall be enforceable by a decree of specific performance issued by any court of competent jurisdiction, and appropriate injunctive relief may be applied for and granted in connection therewith. Such remedies shall, however, be cumulative and not exclusive and shall be in addition to any other remedies which any Party may have under this Agreement or otherwise.

#### 14.11 Binding Value

The terms, conditions and provisions of the Transaction Documents are valid, binding and legally enforceable against Fairfax India, the Adi Group and their respective legal heirs, executors, representatives, successors and administrators who are duly and validly appointed under a will, testamentary instruments or any other document as per Applicable Law, to the extent required and necessary. The Adi Group shall ensure that the legal heirs, executors, representatives, successors and administrators of the members of the Adi Group and their estate shall abide by and give full effect to the terms of the Transaction Documents. The members of Adi Group irrevocably agree that the terms of the Transaction Documents shall override the terms of their respective wills and testamentary instruments, to the extent applicable.

#### 14.12 Non-Exclusive Remedies

The rights and remedies herein provided are cumulative and none is exclusive of any other, or of any rights or remedies that any Party may otherwise have under Applicable Law or in equity. The rights and remedies of any Party based upon, arising out of or otherwise in respect of any inaccuracy or breach of any representation, warranty, covenant or agreement or failure to fulfil any condition shall in no way be limited by the fact that the act, omission, occurrence or other state of facts upon which any claim of any such inaccuracy or breach is based may also be the subject matter of any other representation, warranty, covenant or agreement as to which there is no inaccuracy or breach.

#### 14.13 Cost And Expenses

Each of the Parties hereto shall pay their own costs and expenses relating to the negotiation, preparation and execution of this Agreement and all other documents related to the Agreement.

#### 14.14 Entire Agreement

This Agreement constitutes the entire agreement of the Parties relating to the subject matter hereof and supercedes any and all prior agreements, including letters of intent and term sheets, either oral or in writing, between the Parties hereto with respect to the subject matter herein.

#### 14.15 Partial Invalidity

If any provision of this Agreement or the application thereof to any Person or circumstance shall be invalid or unenforceable to any extent for any reason including by reason of any law or regulation or government policy, the remainder of this Agreement and the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. Any invalid or unenforceable provision of this Agreement shall be replaced with a provision, which is valid and enforceable and most nearly reflects the original intent of the invalid and unenforceable provision.

14.16 No Partnership

Nothing contained in this Agreement shall constitute or be deemed to constitute a partnership between the Parties, and no Party shall hold himself out as an agent for the other Party or any of them, except with the express prior written consent of the other Party.

14.17 Counterparts

This Agreement may be executed in any number of counterparts, and each of the executed counterparts, when duly exchanged or delivered, shall be deemed to be an original, but, taken together, they shall constitute one and the same instrument. The delivery of signed counterparts by facsimile transmission or electronic mail in “portable document format” (“.pdf”) shall be as effective as signing and delivering the counterpart in person.

*[signature pages follow]*

**IN WITNESS WHEREOF** the Parties hereto have caused this Agreement to be duly executed and delivered by their duly authorized representatives on the day and year first above written.

Signed and delivered for and on behalf of  
**FAIRCHEM ORGANICS LIMITED**



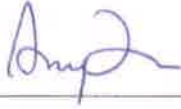
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By:  
Title: Authorised Signatory

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Signed and delivered for and on behalf of:  
**FIH MAURITIUS INVESTMENTS LTD**





By: *Amey RAN*  
Title: Authorized Signatory

Signed and delivered by  
NAHOOSH JARIWALA



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Signed and delivered for and on behalf of  
**NAHOOSH TRADELINK LLP**



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By:  
Title: Authorised Signatory

Signed and delivered for and on behalf of  
**JARIWALA TRADELINK LLP**



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By:  
Title: Authorised Signatory

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Signed and delivered for and on behalf of:  
**FIH PRIVATE INVESTMENTS LTD**



By: *Amy Tan*  
Title: Authorized Signatory



## **SCHEDULE 1**

### **ADI GROUP**

1. Nahoosh Jariwala
2. Nahoosh Tradelink LLP
3. Jariwala Tradelink LLP

## SCHEDULE 2

### SHAREHOLDING PATTERN OF THE COMPANY ON THE EFFECTIVE DATE

Sr. No.	Name of Shareholder*	Holding (%)
<b>A</b>	<b>Promoter Group Shareholding</b>	
<b>I</b>	<b>Fairfax Group</b>	
1	FIH MAURITIUS INVESTMENTS LTD	48.75%
2	FIH PRIVATE INVESTMENTS LTD	0.01%
	<b>Sub-Total</b>	<b>48.76%</b>
<b>II</b>	<b>Adi Group</b>	
3	UTKARSH BHIKHOOBHAI SHAH	0.06%
4	JARIWALA TRADELINK LLP	0.86%
5	NAHOOSH TRADELINK LLP	1.70%
	<b>Sub-Total</b>	<b>2.62%</b>
<b>III</b>	<b>Privi Group</b>	
6	MAHESH P BABANI	8.26%
7	MAHESH PURSHOTTAM BABANI - HUF	4.59%
8	SEEMA BABANI	0.24%
9	SNEHAL M BABANI	0.78%
10	JYOTI MAHESH BABANI	0.35%
11	DOPPALAPUDI BHAKTAVATSALA RAO	1.85%
12	VINAYKUMAR DOPPALAPUDI RAO	1.22%
13	VIJAYKUMAR DOPPALAPUDI	1.16%
14	GRACE VINAYKUMAR	0.38%
15	SHARON DOPPALAPUDI	0.41%
16	PREMALEELA DOPPALAPUDI	0.45%
17	RAJKUMAR DOPPALAPUDI	1.14%

<b>Sr. No.</b>	<b>Name of Shareholder*</b>	<b>Holding (%)</b>
18	PRASANNA RAJ	0.47%
19	RAMESHBABU GOKARNESWARARAO GUDURU	0.15%
20	MONEYMART SECURITIES PVT LTD	0.53%
21	VIVIRA CHEMICALS PRIVATE LIMITED	0.20%
22	VIVIRA INVESTMENT AND TRADING PVT LTD	0.49%
	<b>Sub-Total</b>	<b>22.68%</b>
	<b>Total Promoter Shareholding (A)</b>	<b>74.06%</b>
<b>B</b>	<b>Others</b>	
	Other Shareholders	25.94%
	<b>Total Other Shareholding (B)</b>	<b>25.94%</b>
	<b>Total Equity Shareholding - A+ B</b>	<b>100.00%</b>

\*Assuming that no equity shares have been transferred by the shareholders between the Execution Date and the 'Record Date' approved for the purposes of the Scheme.

### SCHEDULE 3

#### DEED OF ADHERENCE

This Deed of Adherence (“**Deed**”) is made this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

BETWEEN

\_\_\_\_\_, hereinafter called the “Covenantor” which expression shall, unless repugnant to the meaning or context thereof be deemed to include its successors and permitted assigns) to whom the Equity Securities of Fairchem Organics Limited (hereinafter referred to as the “**Company**”) have been transferred by [●] and / or its Permitted Transferee (“**Transferor**”);

AND

The Company

AND

\_\_\_\_\_ (“**Continuing Shareholders**”)

THIS DEED IS SUPPLEMENTAL to the shareholders’ agreement executed on the 22<sup>nd</sup> day of May, 2019 by and amongst [●] (the “**Agreement**”).

NOW THEREFORE THIS DEED OF ADHERENCE WITNESSETH AS FOLLOWS:

In consideration of the Transferor having transferred its Equity Securities to the Covenantor and in consideration of having agreed to such transfer, the Covenantor, the Company and the Continuing Shareholders hereby agree and undertake as follows:

1. The Covenantor hereby confirms that a copy of the Agreement and the Articles of Association of the Company have been made available to it and hereby covenants with the Continuing Shareholders and the Company to observe, perform and be bound by all the terms, obligations, and liabilities of the Transferor and be entitled to all the rights and benefits of the Transferor with effect from the date of Transfer of Equity Securities to the Covenantor and the Covenantor shall be deemed to be a Party to the Agreement.
2. The Covenantor hereby covenants that it shall do nothing that derogates from the provisions of the Agreement or the Articles of Association, unless the same is expressly provided in the Deed.
3. The Company and the Continuing Shareholders shall be entitled to enforce the Agreement against the Covenantor and the Covenantor shall be entitled to all the rights and benefits that the Transferor was entitled to under the Agreement.
4. The Company and the Continuing Shareholders covenant that they shall do nothing that derogates from the provisions of the Agreement or the Articles of Association.
5. The Covenantor understands that this Deed of Adherence is in all respects supplemental to the

Agreement and that at no time shall the provisions of this Deed of Adherence or any other agreement among the parties to the Agreement, be used to contravene, derogate or detract from the same, unless the same is expressly provided in the Deed.

6. For the purposes of Clause 14.3 (*Notices*) of the Agreement, the address and facsimile number of the Covenantor are:

Address: [●]

Telephone: [●]

Fax: [●]

Email: [●]

Attention: [●]

7. Governing Law

This Deed shall be governed and construed in accordance with the laws of India without reference to its conflict of laws principles.

8. Arbitration

(a) Any dispute or claim arising out of or in connection with or relating to this Deed or the breach, termination or invalidity hereof, shall be referred at the request in writing (“**Dispute Notice**”) of any Party to binding arbitration by 1 (one) arbitrator in accordance with Rules of the Singapore International Arbitration Centre (the “**Rules**”) as may be modified by the provisions of this Clause 8. Within 21 (twenty one) days after any Party has served a Dispute Notice, the Parties shall jointly appoint 1 (one) arbitrator. If the Parties cannot agree on the appointment of an arbitrator, the arbitrator shall be appointed in accordance with the Rules. All arbitration proceedings shall be conducted in the English language and the seat of arbitration shall be Singapore. The Parties would be entitled to seek interim relief from the courts of India. The arbitrator shall decide any such dispute or claim strictly in accordance with the governing law specified in Clause 7. Judgment upon any arbitral award rendered hereunder may be entered in any court having jurisdiction, or application may be made to such court for a judicial acceptance of the award and an order of enforcement, as the case may be.

(b) Costs. The costs and expenses of the arbitration, including the fees of the arbitration and the arbitrator, shall be borne equally by each Party to the dispute or claim and each Party shall pay its own fees, disbursements and other charges of its counsel, except as may be determined by the arbitrator. The arbitrator would have the power to award interest on any sum awarded pursuant to the arbitration proceedings and such sum would carry interest, if awarded, until the actual payment of such amounts.

(c) Final and Binding. Any award made by the arbitrator shall be final and binding on each of the Parties that were parties to the dispute.

(d) Continuing Obligation. Subject to the award of the arbitrator, neither the existence of any dispute nor the fact that any arbitration is pending hereunder shall relieve any of the Parties of

their respective obligations under this Deed. Subject to any award of the arbitrator, the pendency of a dispute in any arbitration proceeding shall not affect the performance of the obligations under this Deed.

Executed as a DEED the day and year first before written.

For the Covenantor

\_\_\_\_\_  
By:  
Title:

For the Continuing Shareholders

\_\_\_\_\_  
By:  
Title:

For the Company

\_\_\_\_\_  
By:  
Title:

## **SCHEDULE 4**

### **RESERVED 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;
6. 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;
7. Related Party Transactions, and any material deviations from the existing arrangements existing as on the Effective Date;
8. Granting any advance or giving any guarantee by the Company or any of its Subsidiaries, other than in the Ordinary Course of Business;
9. Any capital expenditure by the Company or its Subsidiaries;
10. 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); and
11. Entering into any binding agreement to take any of the foregoing actions.