

## THE COMPANIES ACT, 2013

### <sup>1</sup>ARTICLES OF ASSOCIATION OF FAIRCHEM ORGANICS LIMITED

#### A Company Limited by shares

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.

#### Interpretation

- I. (1) In these regulations –
- (a) “**Acceptance Notice**” shall have the meaning ascribed to it in Article 25(i)(b).
  - (b) “**Accepted Offer Shares**” shall have the meaning ascribed to it in Article 25(i)(b).
  - (c) “**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.
  - (d) “**Adi Entities**” shall have the meaning ascribed to it in Article 22(i).
  - (e) “**Adi Group**” shall mean the following persons: (i) Mr. Nahoosh Jariwala; (ii) Nahoosh Tradelink LLP; and (iii) Jariwala Tradelink LLP.
  - (f) “**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.
  - (g) “**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.

<sup>1</sup> Entire set of Articles of Association is replaced in terms of Special Resolution passed by the members of the Company at their extra-ordinary general meeting held on August 12, 2020.

- (h) “**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.
- (i) “**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.
- (j) “**Balance Offer Shares**” shall have the meaning ascribed to it in Article 25(i)(d).
- (k) “**Board**” means the board of directors of the Company.
- (l) “**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.
- (m) “**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.
- (n) “**Charter Documents**” means the memorandum and articles of association.
- (o) “**Company**” shall mean Fairchem Organics Limited.
- (p) “**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.
- (q) “**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.
- (r) “**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.

- (s) “**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 of the SHA.
- (t) “**Default Call Consideration**” means an amount equal to the Default Call Price multiplied by the number of Default Call Shares.
- (u) “**Default Call Notice**” shall have the meaning ascribed to such term in Article 24(ii).
- (v) “**Default Call Option**” shall have the meaning ascribed to such term in Article 24(i).
- (w) “**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.
- (x) “**Default Call Shares**” shall have the meaning ascribed to such term in Article 24(ii).
- (y) “**Default Event**” means any of the following: (i) a breach of any representation, warranty, covenant or obligation under the SHA 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.
- (z) “**Default Option Holder**” shall have the meaning ascribed to such term in Article 24(i).
- (aa) “**Director(s)**” means the directors of the Board of the Company.
- (bb) “**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.
- (cc) “**Effective Date**” shall mean August 12, 2020.
- (dd) “**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.
- (ee) “**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).

- (ff) **“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.
- (gg) **“Fairfax India”** shall mean collectively, FIH Mauritius Investments Ltd and FIH Private Investments Ltd.
- (hh) **“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.
- (ii) **“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).
- (jj) **“IFRS Standards”** shall mean International Financial Reporting Standards as issued by the International Accounting Standards Board.
- (kk) **“Immediate Relative”** means, with reference to any Person, means the spouse, children (including son and daughter) or parents of such Person.
- (ll) **“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.
- (mm) **“Indian GAAP”** means generally accepted accounting principles of India as issued

by the Institute of Chartered Accountants of India.

- (nn) “**Issuance Acceptance Period**” shall have the meaning ascribed to such term in Article 84.
- (oo) “**Market Offer Price**” shall have the meaning ascribed to such term in Article 25(i)(d).
- (pp) “**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.
- (qq) “**Nahoosh Key Employee Agreement**” shall mean the key employment agreement dated November 4, 2015 executed by and between Fairchem Speciality Limited 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.
- (rr) “**OFAC**” means Office of Foreign Assets Control.
- (ss) “**Offer Period**” shall have the meaning ascribed to it in Article 25(i)(b).
- (tt) “**Offer Price**” shall have the meaning ascribed to it in Article 25(i)(a).
- (uu) “**Offer Shares**” shall have the meaning ascribed to it in Article 25(i)(a).
- (vv) “**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.
- (ww) “**Permitted Purchase Shares**” shall have the meaning ascribed to it in Article 25(i)(e).
- (xx) “**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.

- (yy) “**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.
- (zz) “**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.
- (aaa) “**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.
- (bbb) “**Proposed Issuance**” shall have the meaning ascribed to such term in Article 83.
- (ccc) “**Proposed Issuance Notice**” shall have the meaning ascribed to such term in Article 83.
- (ddd) “**Proposed Recipient**” shall have the meaning ascribed to such term in Article 82.
- (eee) “**Public Official**” has the meaning ascribed to it in applicable Anti – Corruption Laws.
- (fff) “**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.
- (ggg) “**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.
- (hhh) “**Reserved Matters**” means the matters set out in **Annexure I** with respect to the Company and its Subsidiaries.
- (iii) “**Rupees**” or “**INR**” or “**Rs.**” means the lawful currency of India. (jjj)
- “**seal**” means the common seal of the company.
- (kkk) “**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.

(lll) “**SHA**” shall mean the shareholders agreement dated May 22, 2019 entered into between the Company, the Adi Group and Fairfax India.

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

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

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

(ppp) “**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.

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

(rrr) “**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.

(sss) “**Third Party Transferee**” shall have the meaning ascribed to it in Article 25(i).

(ttt) “**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.

(uuu) “**Transfer Notice**” shall have the meaning ascribed to it in Article 25(i)(a).

(2) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

### **Share capital and variation of rights**

- II. 1. Subject to the provisions of the 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 and either at a premium or at par and at such time as they may from time to time think fit.
2. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—

- (a) one certificate for all his shares without payment of any charges; or
  - (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
- (ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
  - (iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
3. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
- (ii) The provisions of Articles (2) and (3) shall *mutatis mutandis* apply to debentures of the company.
4. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
5. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
- (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
- (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
6. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of



a special resolution passed at a separate meeting of the holders of the shares of that class.

(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

7. 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.

8. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

### Lien

9. (i) The company shall have a first and paramount lien —
- (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
  - (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:

Provided that no sale shall be made—

- (a) unless a sum in respect of which the lien exists is presently payable; or
  - (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
10. (i) To give effect to any such sale, the Board may authorise some person to transfer the

shares sold to the purchaser thereof.

- (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
  - (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
11. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

### **Calls on shares**

12. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

- (ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.
  - (iii) A call may be revoked or postponed at the discretion of the Board.
13. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
14. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
15. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.
- (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
16. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way

of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

- (ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

**17. The Board—**

- (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
- (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

**Transfer of shares**

- 18. (i)** The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

- (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

**19. The Board may, subject to the right of appeal conferred by section 58 decline to register—**

- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- (b) any transfer of shares on which the company has a lien.

**20. The Board may decline to recognise any instrument of transfer unless —**

- (a) the instrument of transfer is in the form as prescribed in rules made under subsection (1) of section 56;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) the instrument of transfer is in respect of only one class of shares.

**21. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times**

and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

### **Restrictions on share transfers**

#### **22. Transfers by the Adi Group**

- (i) 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.
- (ii) Notwithstanding the provisions of Article 22(i) above and Article 25 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:
  - (a) 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;
  - (b) Such Transfer is exempt from the requirement to make a public offer under Regulation 10 or its equivalent provision under the Takeover Regulations;
  - (c) 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 22(ii) to any of the members of its Adi Group, prior to such Permitted Transferee ceasing to be a Permitted Transferee;
  - (d) Such Permitted Transferee shall not Transfer the Equity Securities to any Person other than a Permitted Transferee, without compliance with the provisions of Article 22 and Article 25; and
  - (e) If the Adi Group Transfers any Equity Securities to any of its Permitted Transferees in accordance with this Article 22(ii), 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 these Articles.
- (iii) The Adi Group shall not circumvent the provisions of Article 22 and Article 25

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 these Articles and shall be subject to the provisions of these Articles.

- (iv) Any Transfer of Equity Securities by Mr. Nahoosh Jariwala or the Adi Entities to any Person other than a Permitted Transferee as contemplated in Article 22(ii) above, shall be subject to the provisions of Article 25.
- (v) Any Transfer of Equity Securities by Mr. Nahoosh Jariwala or the Adi Entities in violation of Article 22 and Article 25 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 Article 22 shall be null and void *ab initio* and the Adi Entities shall not record such Transfer.

### **23. Transfers by Fairfax India**

- (i) Fairfax India shall have the right to Transfer all or any of Equity Shares held by it to any Person at any time.
- (ii) All or any of the rights and benefits and obligations of Fairfax India under these Articles and the SHA can be assigned by Fairfax India to an Affiliate along with any Transfer of Equity Shares by Fairfax India to such Affiliate.

### **24. Default Call Option**

- (i) 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).
- (ii) 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**").

- (iii) 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.

## 25. Right of First Refusal

- (i) 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 Article 22(ii) (“**Third Party Transferee**”), then the following provisions shall apply:
  - (a) 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 Article 25).
  - (b) 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**”.
  - (c) 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 maybe required to obtain regulatory approvals or as may be required under the

#### Takeover Regulations.

- (d) 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.

- (e) For the purpose of this Article 25, 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.
- (f) 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 Article 25 shall include such Person.

#### Transmission of shares

26. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.
- (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any

liability in respect of any share which had been jointly held by him with other persons.

27. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—
- (a) to be registered himself as holder of the share; or
  - (b) to make such transfer of the share as the deceased or insolvent member could have made.
- (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
28. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
29. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company: Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

#### **Forfeiture of shares**

30. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.



- 31.** The notice aforesaid shall—
- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
  - (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
- 32.** If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
- 33.** (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
- 34.** (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
- (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
- 35.** (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
- (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
- (iii) The transferee shall thereupon be registered as the holder of the share; and
- (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
- 36.** The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

### Alteration of capital

37. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
38. Subject to the provisions of section 61, 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;
  - (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.
39. Where shares are converted into stock,—
- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:  
  
Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
  - (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
  - (c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.
40. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,  
—
- (a) its share capital;
  - (b) any capital redemption reserve account; or

- (c) any share premium account.

### **Capitalisation of profits**

- 41. (i) The company in general meeting may, upon the recommendation of the Board, resolve—
  - (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
  - (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—
  - (A) paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - (B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
  - (C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
  - (D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
  - (E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
- 42. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—
  - (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
  - (b) generally do all acts and things required to give effect thereto.
- (ii) The Board shall have power—

- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
  - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereof their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (iii) Any agreement made under such authority shall be effective and binding on such members.

#### **Buy-back of shares**

43. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

#### **General meetings**

44. All general meetings other than annual general meeting shall be called extraordinary general meeting.
45. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
- (ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any 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.

#### **Proceedings at general meetings**

46. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
47. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
48. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

49. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

#### **Adjournment of meeting**

50. (i) The Chairperson 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.
- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

#### **Voting rights**

51. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—
- (a) on a show of hands, every member present in person shall have one vote; and
- (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
52. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
53. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
54. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
55. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

- 56.** No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
- 57.** (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

### **Proxy**

- 58.** The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
- 59.** An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
- 60.** A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

### **Board of Directors**

- 61.** The following shall be the First Directors of the Company –
- 1) Nahoosh Jayvadan Jariwala
  - 2) Rajen Niranjambhai Jhaveri
  - 3) Kaushik Gajendraprasad Bhatt
- 62.** 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.
- 63.** (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

- (ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—
  - (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
  - (b) in connection with the business of the company.
- 64. The Board may pay all expenses incurred in getting up and registering the company.
- 65. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
- 66. 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.
- 67. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
- 68. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.
  - (ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

#### **Proceedings of the Board**

- 69. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
  - (ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
- 70. 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.
- 71. The continuing directors may act notwithstanding any vacancy in the Board; but, if and

so long as their number is reduced below the quorum fixed by these Articles for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.

- 72 (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
- (iii) The same individual may, at the same time, be appointed as the Chairman of the Company as well as the Managing Director or Chief Executive Officer of the Company as permitted by applicable laws from time to time. \*\*\*
- 73 (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
- (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
- 74 (i) A committee may elect a Chairperson of its meetings.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
- 75 (i) A committee may meet and adjourn as it thinks fit.
- (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
- 76 All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
- 77 Save as otherwise expressly provided in the 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.
- 78 The Company shall maintain a D&O Policy for the Directors on the Board nominated by the Adi Group and Fairfax India.

#### **Reserved Matters**

\*\*\* **Proposed to be altered in the General Meeting dated 28.03.2022**



79. 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.
80. 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.
81. 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 the Articles 62, 70, 79, 80 and 81, such decision and any actions taken pursuant to such decisions shall be *ab initio* null and void.

### **Pre-emptive Right**

82. 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 these Articles 82-85, 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 these Articles 82-85.
83. Not less than 7 (seven) Business Days before a proposed issuance of Equity Securities by the Company as per Article 82 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.
84. 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 these Articles 82-85 with respect to such Proposed Issuance.
85. 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 83.

## Business Practices

- 86.** 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:
- (i) influencing any act, decision or failure to act by a Public Official in his official capacity,
  - (ii) 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
  - (iii) securing an improper advantage,
- in order to obtain, retain or direct business.
- 87.** 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.
- 88.** 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 Articles 86 or 87 above.
- 89.** 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.
- 90.** 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.

**91. Ongoing Reporting Requirements on an Annual Basis**

- (i) 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.
- (ii) 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.
- (iii) 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.
- (iv) 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.

**92. Ongoing Reporting Requirements on a quarterly basis**

- (i) 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.
- (ii) 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.
- (iii) 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.

- (iv) 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.
- 93.** The Company and its management 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.
- 94.** 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.

#### **Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer**

- 95.** Subject to the provisions of the Act,—
- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
  - (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
- 96.** A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

#### **The Seal**

- 97.** (i) The Board shall provide for the safe custody of the seal.
- (ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least one director and of the secretary or such other person as the Board may appoint for the purpose; and the director and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

#### **Dividends and Reserve**

- 98.** The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
- 99.** Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
- 100.** (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.
- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
- 101.** (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
- 102.** The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
- 103.** (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

- 104.** Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
- 105.** Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
- 106.** No dividend shall bear interest against the company.

### **Accounts**

- 107.** (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.
- (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

### **Winding up**

- 108.** Subject to the provisions of Chapter XX of the Act and rules made thereunder—
- (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

### **Indemnity**

- 109.** Every officer of the company shall be indemnified out of the assets of the company 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 in which relief is granted to him by the court or the Tribunal.

## **ANNEXURE I**

### **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.

### Subscriber Details

| Sr. No. | Name, Address, Description and Occupation   | DIN/PAN/ Passport Number | Place     | DSC  | Dated      |
|---------|---|--------------------------|-----------|------|------------|
| 1.      | <b>FAIRCHEM SPECIALITY LIMITED</b><br>324, DR. D.N. ROAD, FORT, MUMBAI- 400001.<br>OCCUPATION- MANUFACTURING COMPANY<br>SUBSCRIBING THROUGH AUTHORITY OF<br>BOARD RESOLUTION PASSED ON<br>05-02-2019 MR. NAHOOSH JAYVADAN<br>JARIWALA,<br>JARIWALA BESIDE SHASWAT BUNGLOW,<br>RAJPATH CLUB, RANGOLI ROAD,<br>BODAKDEB, AHMEDABAD-380059 | ACZPJ5445M               | Ahmedabad | Sd/- | 16/03/2019 |
| 2.      | <b>VENKATESHWARAN ANANTHARAMAN</b><br>D-31, SATELLITE APPRATMENT, JODHPUR<br>CROSS ROAD, AHMEDABAD-380015.<br>OCCUPATION-SERVICEMAN   | ABMPV5230C               | Ahmedabad | Sd/- | 16/03/2019 |
| 3.      | <b>AJIT PRABHASHNKER VYAS</b><br>9, NAGORI PARK SOCIETY, VATVA ROAD,<br>MANINAGAR, AHMEDABAD-380008.<br>OCCUPATION- SERVICEMAN  | ABEPV5941Q               | Ahmedabad | Sd/- | 16/03/2019 |
| 4.      | <b>DEEPAK DAMODAR PARIDA</b><br>C 401, SUREEL WILLOWS,<br>NEAR KRISHNA HEART HOSPITAL,<br>GHUMA, BOPAL, AHMEDABAD-380058.<br>OCCUPATION- SERVICEMAN   | AOIPP9188E               | Ahmedabad | Sd/- | 16/03/2019 |
| 5.      | <b>SOHAM HARSHADBHAI PARMAR</b><br>A-203, SERENEDA VENURA, OPP THE HOTEL<br>GRAND BHAGWATI, NR WHITE LEAF HOTEL,<br>S G HIGHWAY, AHMEDABAD-380054.<br>OCCUPATION-SERVICEMAN   | AMOPP8638D               | Ahmedabad | Sd/- | 16/03/2019 |
| 6.      | <b>RAJEN NIRANJANBHAI JHAVERI</b><br>A-32, SAIYAM APPARTMENTS,<br>B/H NEHRUNAGAR, AMBAVADI,<br>AHMEDABAD-380015.<br>OCCUPATION- SERVICEMAN  | 07546302                 | Ahmedabad | Sd/- | 16/03/2019 |
| 7.      | <b>KAUSHIK GAJENDRAPRASAD BHATT</b><br>11-B, CHANDRIKA SOCIETY,<br>GORDHANWADI TEKRA, MANINAGAR,<br>AHMEDABAD-380028.<br>OCCUPATION- SERVICEMAN   | ACQPB2594N               | Ahmedabad | Sd/- | 16/03/2019 |

### SIGNED BEFORE ME

| Name                                  | Address, Description and Occupation   | DIN/PAN/ Passport Number/ Membership Number | Place     | DSC  | Dated      |
|---------------------------------------|---|---|-----------|------|------------|
| FCA<br><b>PARAG PRIYAKANT JHAVERI</b> | A/3, EMBASSY APARTMENT,<br>DR. V.S. ROAD, AMBAWADI,<br>AHMEDABAD-380015.<br><br>OCCUPATION-<br>CHARTERED ACCOUNTANT | 039190                                      | Ahmedabad | Sd/- | 16/03/2019 |