

**OMKAR**  
Always the leaders

# OMKAR SPECIALITY CHEMICALS LIMITED

Regd. & Corporate Office : Unit - III, B-34, M.I.D.C., Badlapur (East), Thane - 421 503, Maharashtra, India

Tel. : +91 (0251) 2697340, 2690651, Fax : +91 (0251) 2697347, 2691572

Email : info@omkarchemicals.com Web. : www.omkarchemicals.com

CIN: L24110MH2005PLC151583

Date: 9<sup>th</sup> August 2014

**Dr. Vikas N. Telvekar**

21/836, D.N Nagar,  
Andheri West,  
Mumbai - 400053

Dear Sir,

**Sub: Your appointment as an Independent Director of Omkar Speciality Chemicals Limited**

We wish to thank you for your confirmation to Omkar Speciality Chemicals Limited (the "Company") that you meet the independence criteria as envisaged in Section 149(6) of the Companies Act, 2013 ("2013 Act") and Clause 49 of the Listing Agreement (as amended vide circular issued by Securities and Exchange Board of India, vide ref. No. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 and effective from October 1, 2014) and also for your consenting to hold office as a director of the Company.

Pursuant to your confirmation, we are pleased to confirm that, the Board of Directors and the Shareholders have approved your appointment as an Independent Director of the Company.

This letter sets out the terms of your appointment as an Independent Director. Your relationship with the Company will be that of an office-holder and not one of contract for employment in the Company.

The terms of your appointment, as set out in this letter, are subject to the extant provisions of the (i) applicable laws, including 2013 Act and Clause 49 of the Listing Agreement (as amended from time to time) and (ii) Articles of Association of the Company ("AOA"). This letter of appointment sets out the terms and conditions covering your appointment which are as follows:

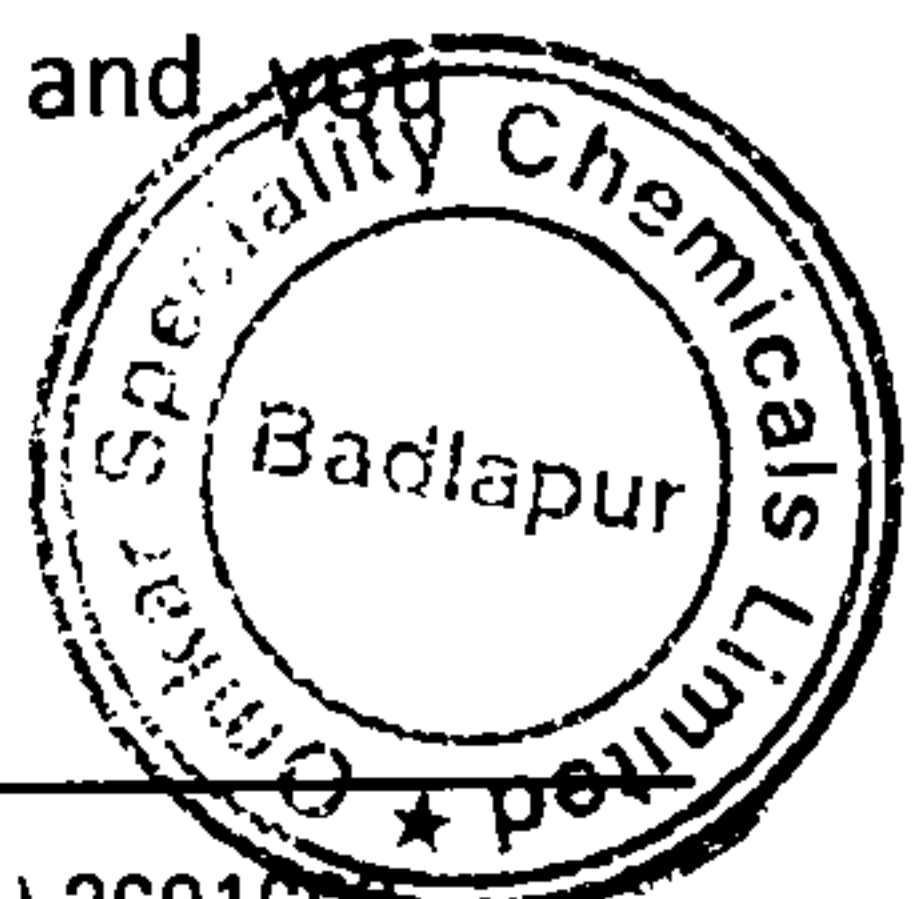
**1. Appointment**

Your appointment will be for an initial term of five years and shall take effect from 9<sup>th</sup> August 2014 unless terminated earlier or extended, as per the provisions of this letter or applicable laws. You will hold office for five consecutive years from 9<sup>th</sup> August, 2014 to 8<sup>th</sup> August, 2019.

The term Independent Director should be construed as defined under the Companies Act, 2013 and the Listing Agreement.

As an Independent Director, you will not be liable to retire by rotation.

Re-appointment for another term of maximum period of five years at the end of the current term shall be based on the recommendation of the Nomination & Remuneration Committee and subject to the approval of the Board and the shareholders by special resolution. Your re-appointment would be considered by the Board based on the outcome of the performance evaluation process and continuing to meet the independence criteria.



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Unit - V, D-27/5, Lote Parshuram Industrial Area, Taluka Khed, Dist. Ratnagiri, Pin - 415 722, Maharashtra  
Unit - VI, B - 15 & B - 16, Lote Parshuram Industrial Area, Taluka Khed, Dist. Ratnagiri, Pin - 415 722, Maharashtra

## 2. Committees

You have been appointed on the following Committee of the Board:

- Nomination & Remuneration Committee – Member

The mandate of the aforesaid committee is provided as **Annexure 1**. The Board may reconstitute the composition of any/all committees, from time to time, and any such change shall be promptly communicated to you. In such an event you may also be required to serve on other committees of the Board.

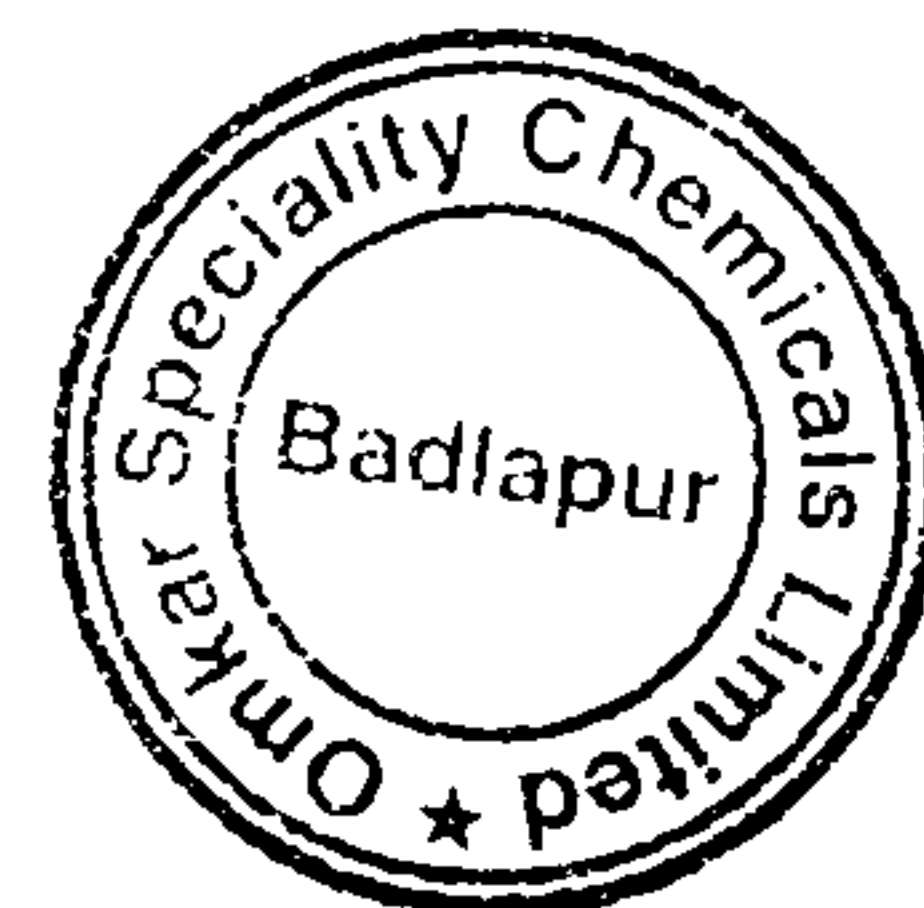
## 3. Roles, Duties and Responsibilities

- A. As member of the Board you, alongwith the other Directors, will be collectively responsible for meeting the objectives of the Board which include:
- Requirements under the Companies Act 2013.
  - “Responsibilities of the Board” as outlined in the Corporate Governance requirements as prescribed by Stock Exchanges under Clause 49 of the Listing Agreement.
  - Accountability under the Directors’ Responsibility Statement.
- B. You shall abide by the code of conduct of Omkar Speciality Chemicals Limited as set out separately in **Annexure-2**.
- C. You will abide by the guidelines of professional conduct, role, function and duties as an Independent Director provided in Schedule IV of the Companies Act, 2013, as set out in **Annexure-3** hereto.
- D. You will not hold office as a Director or any other office in a competing firm/entity.
- E. You are expected to stay updated on how best to discharge your roles, responsibilities, and duties and liabilities, as an Independent Director of the Company under applicable law, including keeping abreast of current changes and trends in economic, political, social, financial, legal and corporate governance practices.
- F. You will also be responsible for providing guidance in the area of your expertise.

## 4. Remuneration

You will be entitled to draw remuneration mentioned here-in-under:

- A. Sitting fees as may be determined by the Board from time to time, for attending the meetings of the Board and the Committees of which you are a member.
- B. Commission that may be determined by the Board will be based on the performance of the Company and your performance evaluated by the Board of Directors.
- C. You will be entitled to reimbursement of expenses incurred by you in connection with attending the Board meetings, Board Committee meetings, general meetings and in relation to the business of the Company towards hotel accommodation, travelling and other out-of-pocket expenses.
- D. Pursuant to applicable law, you will not be entitled to any stock options.



## 5. Insurance

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

## 6. Training

You will be entitled to the benefit of a training program to familiarize yourself with the business and affairs of the Company, growth plans, the peculiarities of the industry in which the Company operates its goals and expectations and long term plans and objectives.

## 7. Dealing in shares

Directors are prohibited from dealing in Company's shares during the period when the trading window is closed. Further directors being the designated officers of the Company are required to comply with Insider Trading Regulations while dealing in Company's shares.

## 8. Disclosures, Other Directorships and Business Interests

During the term you agree to promptly notify the Company of any change in your Directorships, and provide such other disclosures and information as may be required under the applicable laws. You also agree that upon becoming aware of any potential conflict of interest with your position as Independent Director of the Company, you shall promptly disclose the same to the Chairman and the Company Secretary. You confirm that as on the date of this letter, you have no such conflict of interest issues with your existing directorships if any.

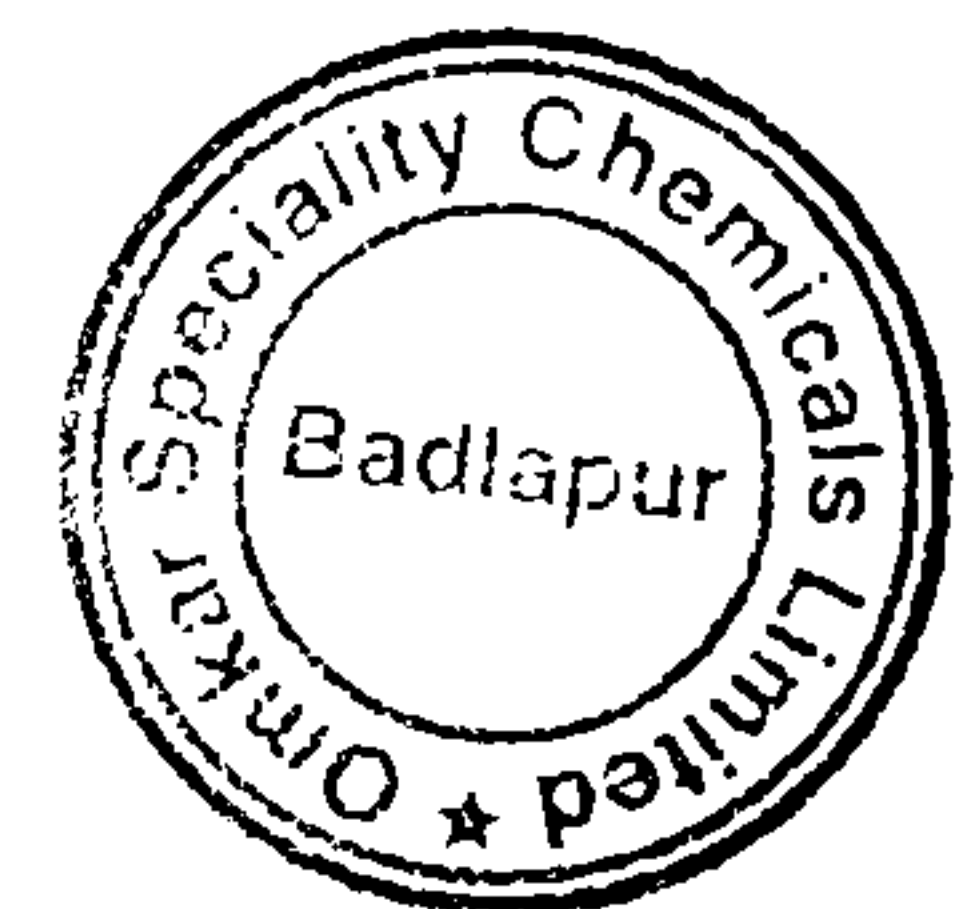
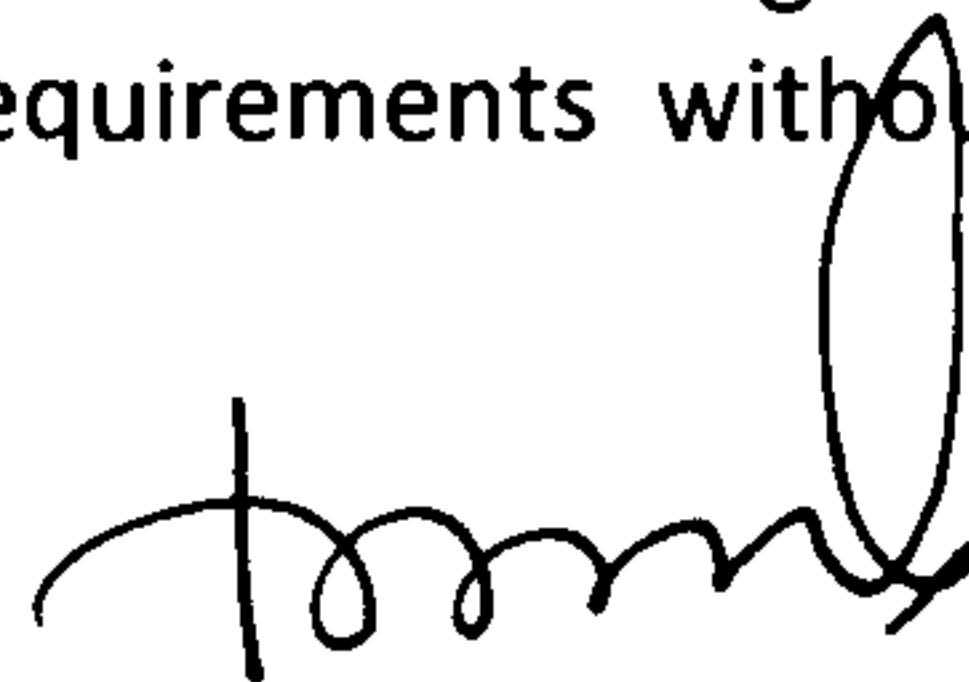
## 9. Changes in personal details

During the term, you shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

## 10. Confidentiality

All information acquired during your appointment is confidential to the Company and should not be released, either during your appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman unless required by law or by the rules of any stock exchange or regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by Company.

Your attention is also drawn to the requirements under the applicable regulations and the Company's Insider Trading Code which is concerned with the disclosure of price sensitive information and dealing in the securities of the Company. Consequently you should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Chairman or the Secretary.



## 11. Publication

In line with provisions of Clause IV sub clause 6 of Schedule IV, under Companies Act 2013, the Company will make public the terms and conditions of your appointment and will also arrange for it to be displayed on the Company's website.

## 12. Termination

- A. You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice on the Board.
- B. Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013 and the Articles of Association of the Company, from time to time in force. You will not be entitled to compensation if the shareholders do not re-elect you at any time.

Your appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

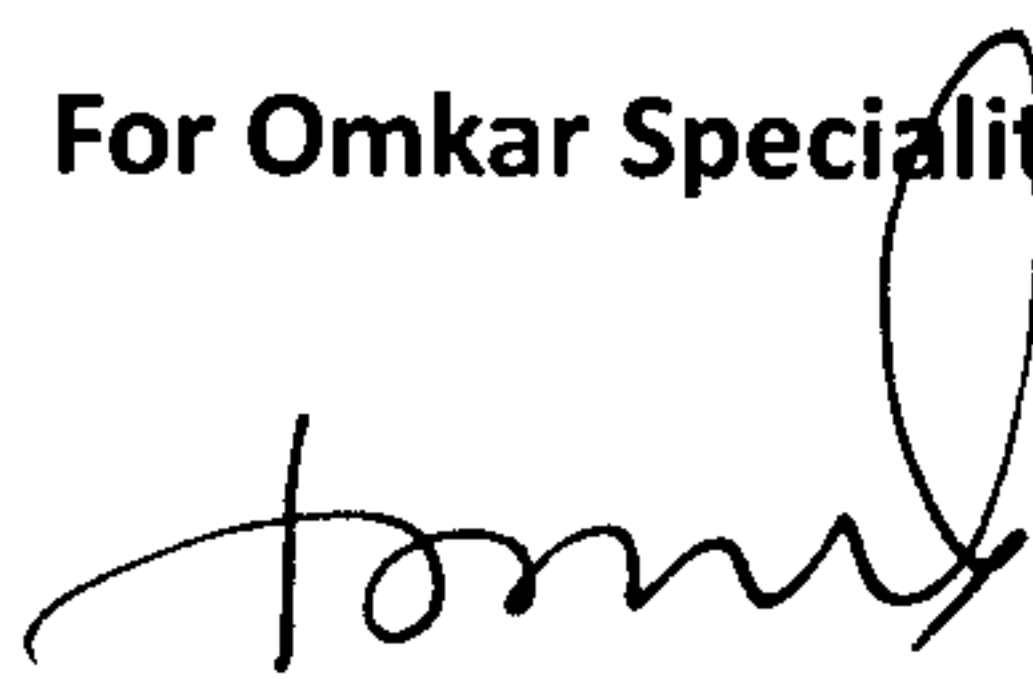
## 13. Governing law

This agreement is governed by and will be interpreted in accordance with Indian law and your engagement shall be subject to the jurisdiction of the Indian courts.

Please confirm your acceptance by signing, dating, and returning a copy of this letter to the Company.

Yours faithfully,

For Omkar Speciality Chemicals Limited

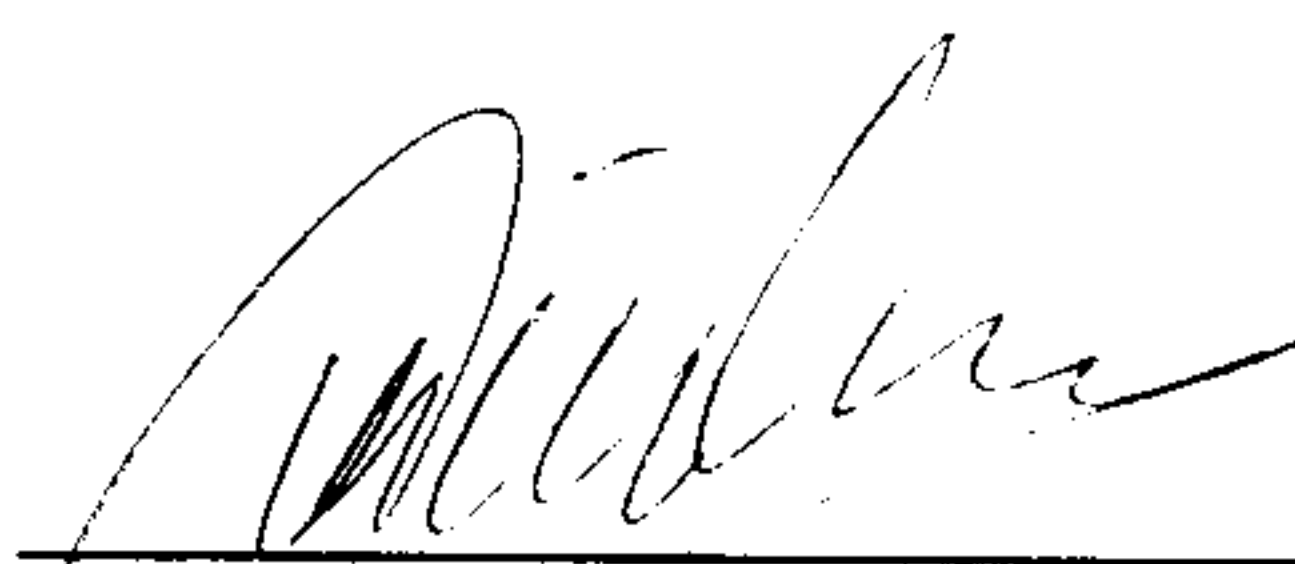


Pravin S. Herlekar  
Chairman & Managing Director



## AGREE AND ACCEPT

I have read and agree to the above terms regarding my appointment as an Independent Director of Omkar Speciality Chemicals Limited.



Vikas N. Telvekar  
Independent Director  
(DIN: 03123785)

**ANNEXURE- 1**

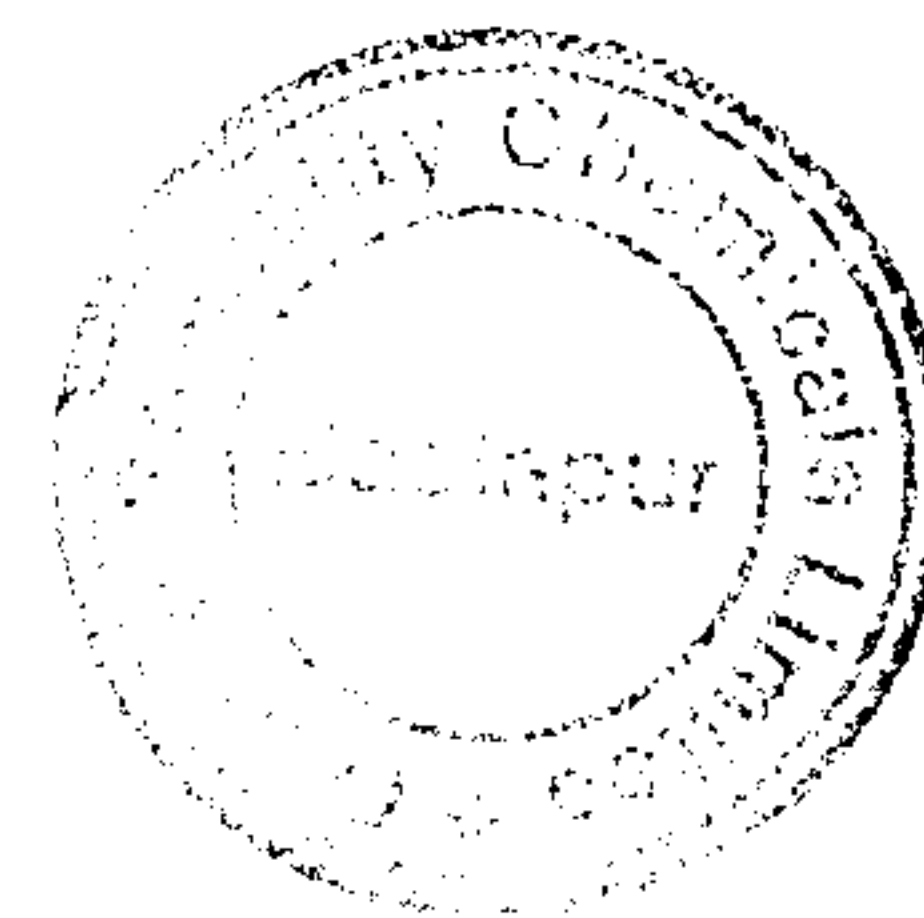
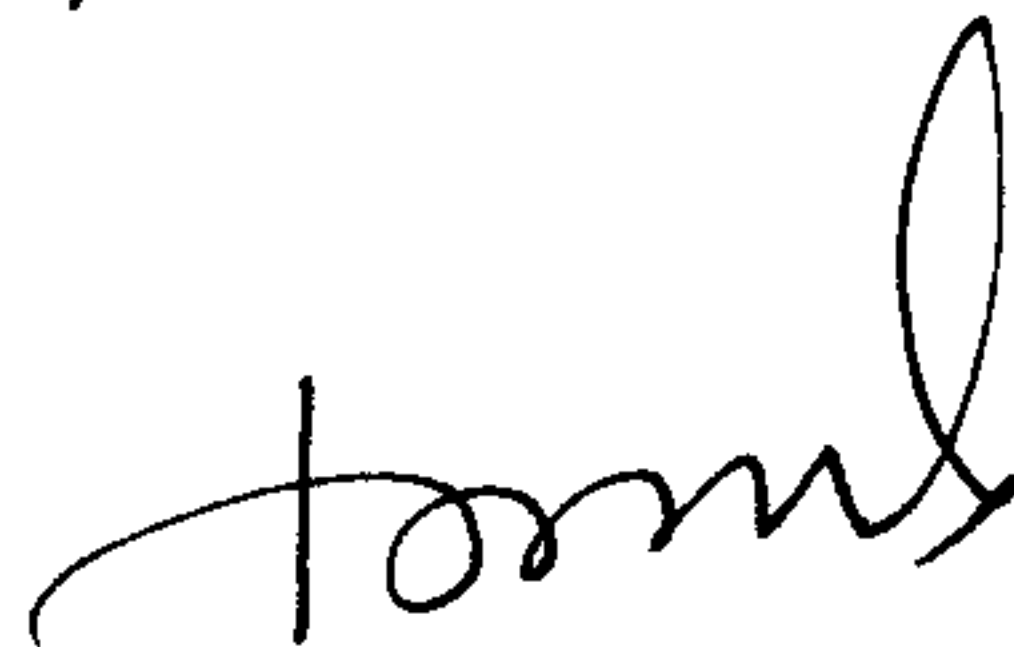
**TERMS OF REFERENCE OF COMMITTEES IN WHICH YOU ARE BEING APPOINTED AS  
CHAIRMAN/MEMBER**

**1. NOMINATION & REMUNERATION COMMITTEE**

**Terms of reference of Nomination & Remuneration Committee are as follows:**

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- The Nomination & Remuneration Committee shall, while formulating the policy ensure that,
  - The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- Devising a policy on Board diversity;
- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
- Payment of commission and sitting fees to Non-Executive Directors.
- Taking an overview of human resources & industrial relations policies of the Company.

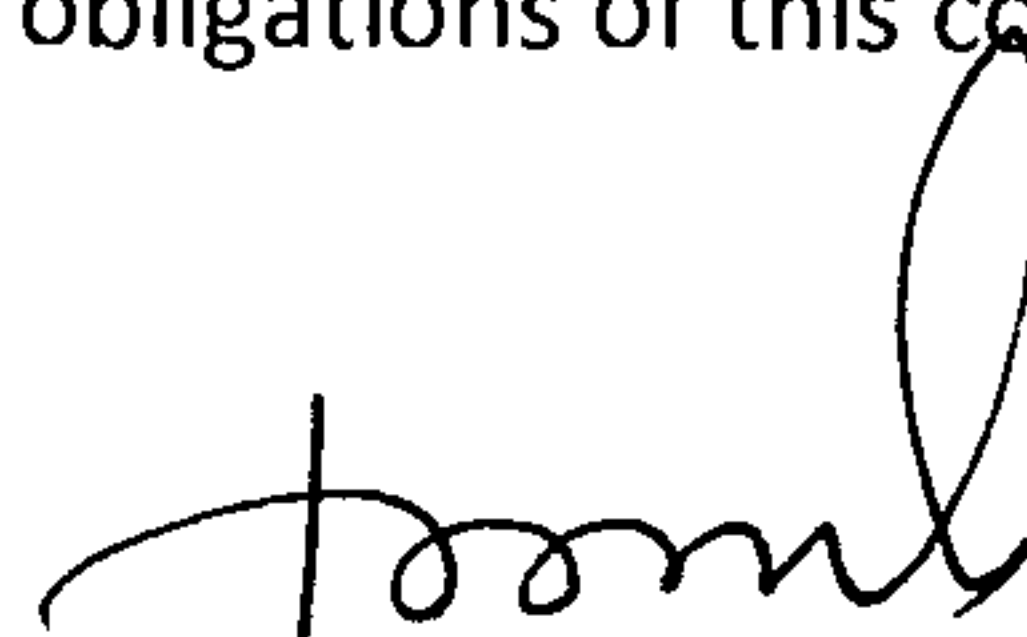
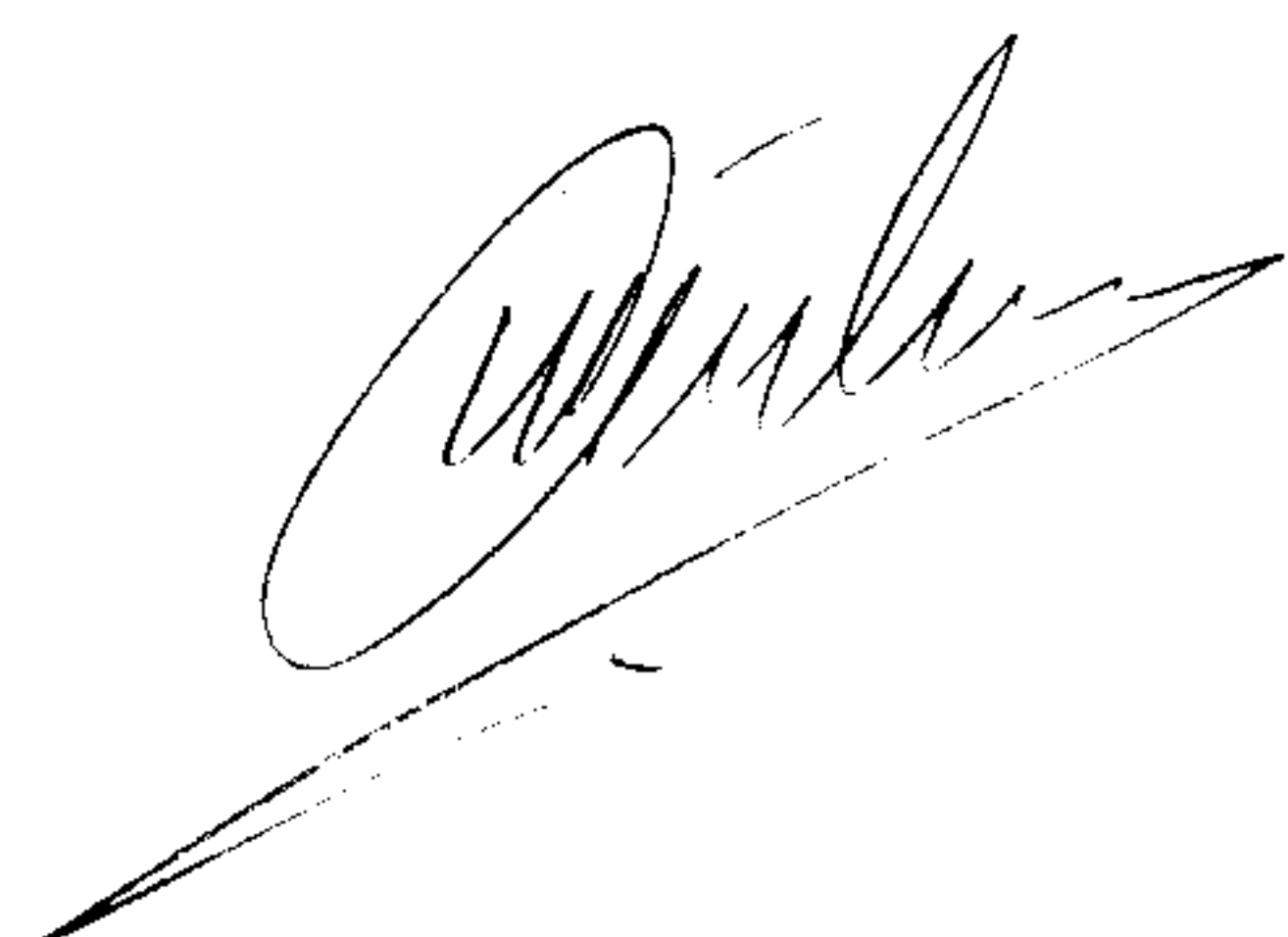
Any other matter that may be referred by the Board from time to time.



## ANNEXURE – 2

### CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

1. Fulfill functions of the office with integrity, professionalism, and exercise powers attached thereto in good faith and with due care and diligence, without the influence of personal interest.
2. The Board should act in the best interests of and fulfill the fiduciary obligations to the company's shareholders, whilst also considering the interests of other stakeholders.
3. Ensure that the company's assets, proprietary confidential information and resources are used by the company and its employees only for legitimate business purposes of the company.
4. Minimize any situation or action that can create conflict of interests of the company visà- vis personal interest or interest of associated persons and make adequate disclosures, where necessary.
5. The senior management shall have the primary responsibility for the implementation of internal controls to deter and detect fraud. The company shall have Zero tolerance for the commission or concealment of fraud or illegal acts.
6. The senior management will ensure that its dealings and relationships with business associates/customers are maintained in the best interest of the company. Its relationship in regard to the company work should be professional and commercially appropriate.
7. The senior management will ensure the timely compliance with all applicable laws, regulations, confidentiality obligations and corporate policies of the company. Encourage reporting of a material violation of any laws, rules or regulations applicable to the company or the operation of its business and ensure that the person reporting such violation is not aggrieved in any manner.
8. Comply with the terms of the code of conduct for prohibition of Insider Trading approved by the Board of Directors and any other code that may be formulated from time to time, as applicable.
9. Conduct business in a responsible manner and commit to undertake:
  - I. Compliance with environmental laws, regulations and standards;
  - II. To incorporate environment friendly and protective measures as an integral part of the design, production, operation and maintenance of the company's facilities;
  - III. Encourage optimum use of energy, and minimize any adverse impact on the environment;
  - IV. Ensure health and safety measures for all the employees and workmen;
10. The senior management shall not, without the prior approval of the Managing Director, accept part time employment or a position of responsibility (such as consultant or a director) with any other organization, for remuneration or otherwise.
11. Establish processes and systems for storage, retrieval and dissemination of document both in physical and electronic form, so that the obligations of this code are fulfilled.



### ANNEXURE – 3

THE GAZETTE OF INDIA EXTRAORDINARY [PART II—]  
SCHEDULE IV  
[See section 149(8)]

#### **CODE FOR INDEPENDENT DIRECTORS**

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

##### **I. Guidelines of professional conduct:**

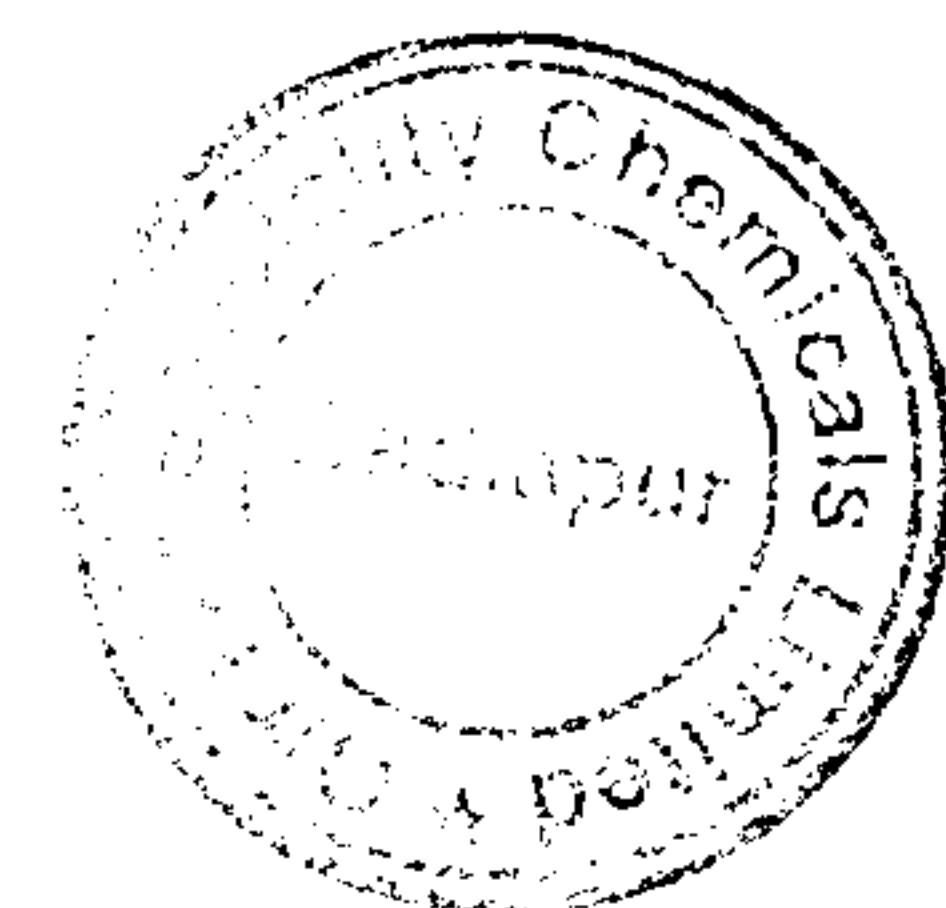
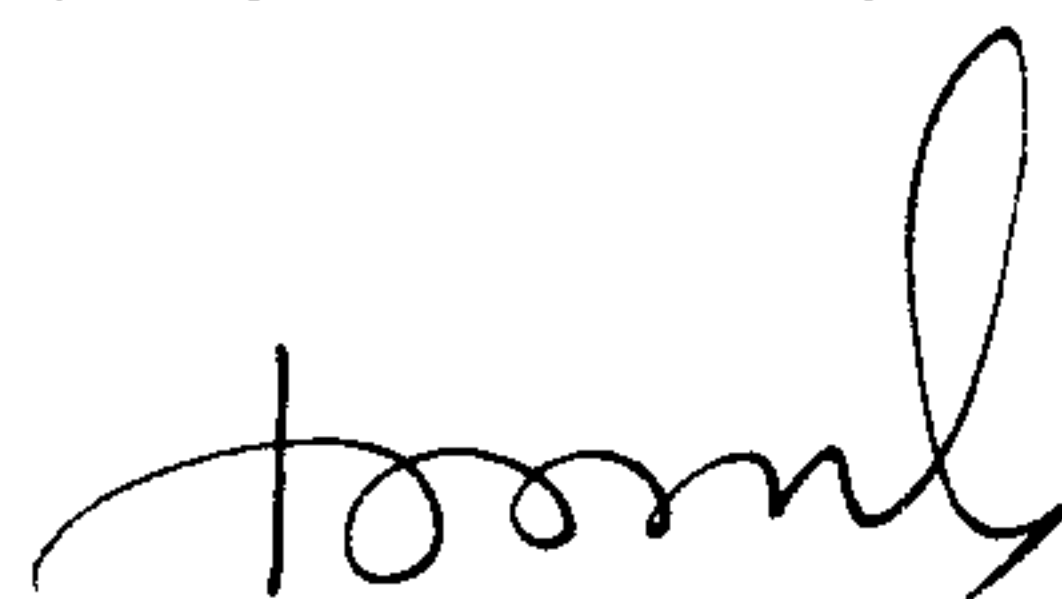
An independent director shall:

1. uphold ethical standards of integrity and probity;
2. act objectively and constructively while exercising his duties;
3. exercise his responsibilities in a bona fide manner in the interest of the company;
4. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
5. not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
6. not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
7. refrain from any action that would lead to loss of his independence;
8. where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
9. assist the company in implementing the best corporate governance practices.

##### **II. Role and functions:**

The independent directors shall:

1. help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
2. bring an objective view in the evaluation of the performance of board and management;
3. scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
4. satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
5. safeguard the interests of all stakeholders, particularly the minority shareholders;
6. balance the conflicting interest of the stakeholders;
7. determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
8. moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.



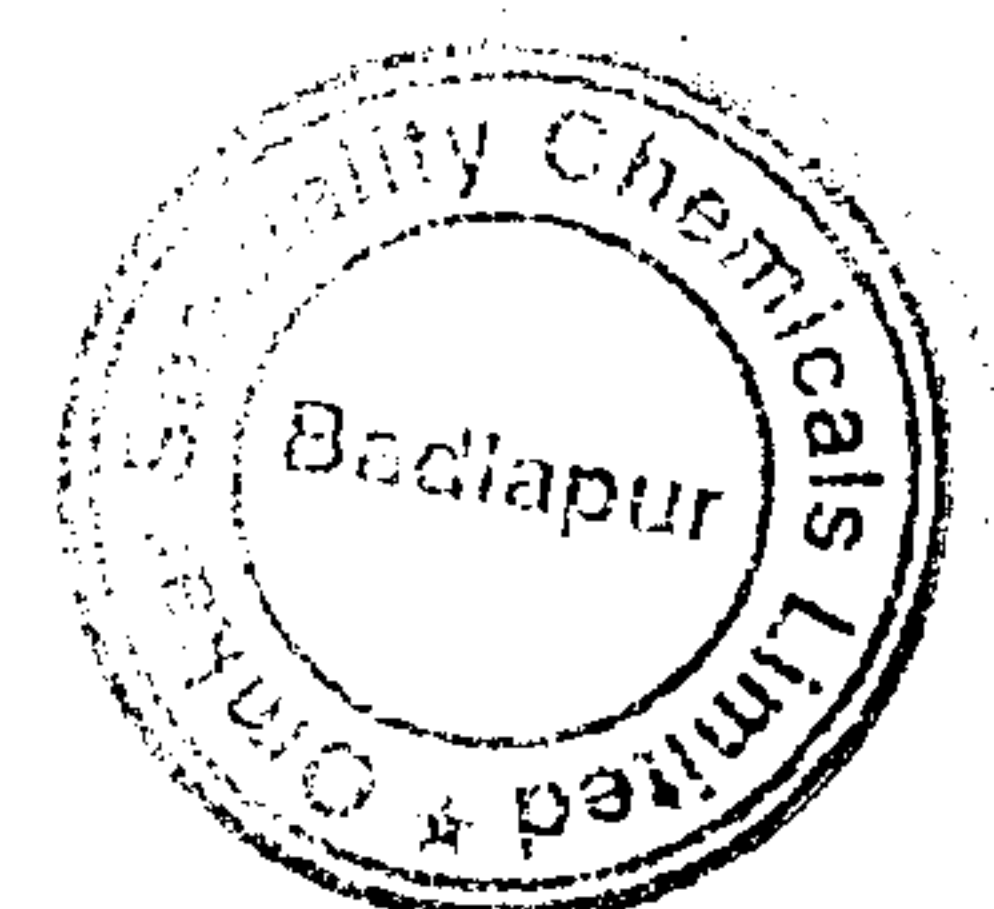
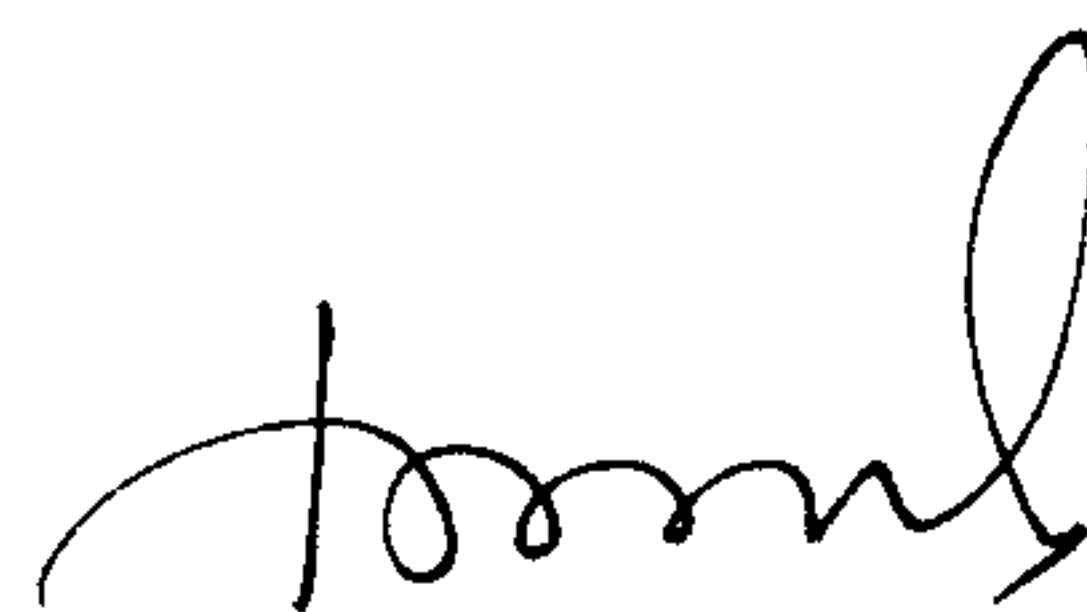
### III. Duties:

The independent directors shall—

1. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
2. seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
3. strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
4. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
5. strive to attend the general meetings of the company;
6. where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
7. keep themselves well informed about the company and the external environment in which it operates;
8. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
9. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
10. ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
11. report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
12. acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
13. not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

### IV. Manner of appointment:

1. Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
2. The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
3. The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfills the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
4. The appointment of independent directors shall be formalised through a letter of appointment, which shall set out :
  - a) the term of appointment;
  - b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
  - c) the fiduciary duties that come with such an appointment along with accompanying liabilities;





- d) provision for Directors and Officers (D and O) insurance, if any;
  - e) the Code of Business Ethics that the company expects its directors and employees to follow;
  - f) the list of actions that a director should not do while functioning as such in the company; and
  - g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
5. The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
  6. The terms and conditions of appointment of independent directors shall also be posted on the company's website.

**V. Re-appointment:**

The re-appointment of independent director shall be on the basis of report of performance evaluation.

**VI. Resignation or removal:**

- 1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- 2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
- 3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

**VII. Separate meetings:**

- 1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
- 2) All the independent directors of the company shall strive to be present at such meeting;
- 3) The meeting shall:
  - a) review the performance of non-independent directors and the Board as a whole;
  - b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
  - c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**VIII. Evaluation mechanism:**

- 1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- 2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

