

Date: \_\_\_\_\_

**Name of Director:**

**Address:**

**SUBJECT: APPOINTMENT AS INDEPENDENT DIRECTOR**

Dear Sir,

We are pleased to inform you that the Board of Directors have approved your appointment as an Independent Director of the Company w.e.f. \_\_\_\_\_. This letter mentions the terms of the same, which are as under:

**1. Appointment and Term**

As per the provisions of the Companies Act 2013 and SEBI LODR Regulations, you have been appointed as an independent director of the Board for a term \_\_\_\_\_ years i.e. \_\_\_\_\_.

**2. Committees of Board of Directors**

The Board will discuss and decide regarding your appointment on the Committees of the Board in due course and the same would be communicated to you.

The Board, during the tenure of your office, may require you to serve on various committees of the Board established by the Company, and the details of Committee charter / policy setting out the functions and tasks of that committee would be provided.

**3. Professional Conduct:**

As an independent director, you shall:

- exercise your responsibilities in a bona fide manner in the best interests of the company.
- act objectively and constructively while exercising your duties.
- devote sufficient time and attention to your professional obligations for informed and balanced decision-making.
- uphold ethical standards of integrity and probity.
- not allow any extraneous considerations that will vitiate your 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.
- not abuse your position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage for any associated person.
- refrain from any action that could lead to a loss of your independence.
- ensure that if circumstances arise under which you may lose your independence, you will promptly inform the Board accordingly.
- assist the Company in implementing the best corporate governance practices.

**Styrenix Performance Materials Limited**  
(formerly known as INEOS Styrolution India Ltd.)

**Registered Office**

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+91 265-2303201/02

secshare@styrenix.com

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CIN : L25200GJ1973PLC002436



## 4. Functions, Responsibilities and Duties of Directors

### 4.1. Functions:

- (a) To review the Company's strategy, the annual financial plan and monitor the Company's performance.
- (b) To advice and counsel, the management.
- (c) To monitor and manage potential conflicts of interests of the management.
- (d) To oversee and ensure the integrity of financial information and legal compliance.
- (e) To 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.
- (f) To bring an objective view in the evaluation of the performance of board and management.
- (g) To satisfy themselves on the integrity of financial information and those financial controls and the systems of risk management are robust and defensible.
- (h) To safeguard the interests of all stakeholders, particularly the minority shareholders.

### 4.2 Responsibilities:

Independent directors have the same general legal responsibilities to the Company as that of any other director. The Board, as a whole, is collectively responsible for ensuring the success of the Company by directing and supervising the Company's affairs.

The Board:

- (i) provides entrepreneurial leadership of the Company within a framework of prudent and effective controls which enable risk to be assessed and managed.
- (ii) sets the Company's strategic aims, ensures that the necessary financial and human resource requirements are in place for the Company to meet its objectives, and reviews management performance.
- (iii) sets the Company's values and standards, ensures that its obligations to its shareholders and others are understood and met by the Company.

In addition to the criteria mentioned in the previous sections, the role of independent directors shall also include tracking, reviewing, and providing feedback on:

- (a) Strategy: constructively contributing to the development of the Company strategy.
- (b) Performance: overseeing the performance of the Management in meeting agreed goals and objectives and monitor the reporting of performance.
- (c) Risk: evaluating and ensuring that financial information is accurate, and that financial controls and systems of risk management are robust and defensible.
- (d) People: determining the appropriate levels of remuneration of executive directors, key managerial personnel and senior management and also appointing, and, where necessary, removing executive Directors, key managerial personnel and senior management senior management.
- (e) Stakeholders: balancing the conflicting interest of the stakeholders, including minority shareholders. In the event of any conflict, moderating and arbitrating in the interest of the Company as a whole.

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### 4.3 Duties:

As an Independent Director, you shall:

- (a) undertake the appropriate induction into the Board and regularly update and refresh your skills, knowledge, and familiarity with the Company.
- (b) seek appropriate clarification and, where necessary, seek and follow appropriate professional advice from external experts at the expense of the Company.
- (c) strive to attend every meeting of the Board and of the Board committees of which you are a member.
- (d) actively and constructively participate in the Board committees of the Board in which you may be a member or the Chairperson.
- (e) strive to attend the general meetings of the Company.
- (f) ensure that any concerns that you may have about the running of the Company are addressed by the Board and seek inclusion of these concerns in the Board minutes to the extent these concerns are not resolved.
- (g) keep yourself well informed about the Company and the external environment in which it operates.
- (h) not unfairly obstruct the functioning of an otherwise proper Board or committee.
- (i) ensure that related party transactions are considered carefully before they are approved and are in the interest of the Company.
- (j) 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.
- (k) report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct.
- (l) within your authority, assist in protecting the legitimate interests of the Company, shareholders, and its employees.
- (m) not disclose any confidential information and unpublished price sensitive information unless such disclosure is expressly approved by the Board or required by law.

### 5. Mechanism for evaluating Independent Board members

The evaluation is done based on three key roles — Governance, Control and Guidance. Some of the performance indicators based on which the independent directors are evaluated are:

- (a) Ability to contribute to and monitor our corporate governance practices;
- (b) Ability to contribute by introducing best practices to address top-management issues;
- (c) Active participation in strategic planning issues;
- (d) Commitment to the fulfillment of a director's obligations; and
- (e) Fiduciary responsibilities.

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## 6. Induction

Every new independent director of the Board would be introduced to the Company's working through presentations made by the Managing Director, executive directors / senior managerial personnel. The presentations would cover an overview of our strategy and operations to familiarize the new Director about the strategy, operations and functions of our Company. The induction process will provide an opportunity to interact with the senior leadership of the Company and help the Director understand the Company's strategy, operations, service and product offerings, markets, organization structure, finance, HR, technology, quality, facilities and risk management.

## 7. Fees

The compensation of the Independent Directors is approved by the Board. The total compensation payable to the entire group of non-executive/independent directors shall not exceed 1% of the net profit of the Company for the year calculated as per the provisions of the Companies Act, 2013, subject to the limits approved by the shareholders and shall exclude the sitting fees paid for attending meetings of the Board and Committees.

The Company pays the sitting fees to its independent directors as per following structure:

<b>Particulars</b>	<b>Amount (INR)</b>
Board meetings*	60,000
Audit committee meeting	60,000
<u>Other board committees</u>	
Nomination and Remuneration	30,000
Corporate Social Responsibility	30,000
Stakeholders' Relationship & Grievances Committee	30,000
Risk Management Committee	20,000

Independent Directors shall be paid sitting fees as per the existing structure till March 31, 2023. Thereafter, every year for a period of five financial years commencing from April 01, 2023, a fixed sum of Rs. 15.00 Lakhs per annum would be paid by way of commission based on net profits of the Company for the relevant year, on a proportionate basis where required, but not exceeding 1% (one percent) or such other percentage of the Net Profits of the Company in any financial year, in aggregate, as may be specified under the Act from time to time and computed in the manner provided under Section 198 of the Act and no sitting fees would be paid.

*\* The Company has four regular Board meetings in a year usually. Independent directors are expected to attend all quarterly Board meetings and the annual general meeting (AGM) in person / through video conferencing, as per applicable law.*

In addition to the above, non-executive/independent directors would be entitled to the reimbursement of the following items of expenditure that may be incurred in traveling to the place of the Board meetings and other committee meetings of the Company and back to their normal place of residence:

- (a) Economy class (for international & domestic travel) return airfare from the normal place of residence to the place of the Board or committee meetings.
- (b) Accommodation at any hotel as determined by the Company for the duration of Board and committee meetings, and during the day prior to and after such meetings.
- (c) Out-of-pocket expenses, like conveyance, food, travel and incidental expenses that are incurred during the days of the Board and committee meetings.

## 8. Memberships of other boards

It is expected that you will not serve on the boards of competing companies. Apart from the applicable law and good corporate governance practices, there are no other additional limitations.

## 9. Directors' & Officers' Insurance

The Company maintains a Directors and Officers insurance policy (D & O policy) to cover for the personal liability of directors and officers for claims made against them while serving on the Board and of the Company.

## 10. Information on meetings

### a. Scheduling and selection of agenda items for Board meetings

Dates for the Board meeting for the ensuing year are decided in advance and published in the Annual Report. Generally, the Board meetings are held at Vadodara. The Company Secretary, CFO and the Managing Director in consultation with the Chairman, draft the agenda for each meeting, along with explanatory notes, and distribute it in advance to the Board members. Every Board member is free to suggest the inclusion of items on the agenda. Normally, the Board meets once a quarter to review the quarterly results and other items on the agenda. The Board also meets during the annual shareholders' meeting. Additional meetings may be held based on the requirements.

### b. Availability of information to the Board

The Board shall have full and unfettered access to any information of the Company, and to any employee of the Company. At Board meetings, the Board may invite managers of the Company when additional details into the items being discussed are required.

### c. Independent directors' discussion

The Board's policy is to have regular "independent directors only" meetings so that they can have a full and frank discussion on the performance of the Company, risks faced by the Company, and the performance of executive members of the Board, including the Chairperson.

### d. Dealing in shares and Code of Conduct

Directors are prohibited from dealing in the Company's shares during the period when the trading window is closed. Further, directors, being designated officers of the Company for the purpose of insider trading guidelines, are required to pre-clear all trades (buy/sell/gift) from the CEO of the Company and the Compliance Officer. You are required to comply with the applicable insider trading laws and regulations. You are also required to comply with the Company's Code of Conduct, enclosed with this letter of appointment.

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**e. Corporate calendar**

Provided below are some of the important dates:

<b>Meetings / Trading Window closure</b>	<b>Tentative Date</b>
Quarter ending June 30	Second week of August
Quarter ending Sep 30	Second week of November
Quarter ending Dec 31	Second week of February
Quarter ending Mar 31	Second week of May
Annual General Meeting	Second week of August

It is a pleasure to have you on board. I am confident that your association, expertise and advice will immensely benefit the Company and the Board.

Best regards,

Yours sincerely,  
For **Styrenix Performance Materials Limited**

Rakesh S. Agrawal  
Chairman & Whole-time Director

Encl: Code of Conduct