

LETTER OF APPOINTMENT

Date: _____

Dear Mr./Ms. _____,

We thank you for your confirmation to Stovec Industries Limited (“the Company”) that you meet the independence criteria as envisaged in Section 149 (6) of the Companies Act, 2013.

I am writing to confirm that the Members have approved your appointment in General Meeting. This letter of appointment sets out the terms and conditions covering your appointment, which are as follows:

1. Appointment

In terms of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and Clause 49 of the Listing Agreement, you have been appointed as a Non-Executive Independent Director on the Board of Directors of the Company with effect from the date of _____ Annual General Meeting till the conclusion of _____ Annual General Meeting of the Company to be held in the calendar year _____. Your appointment including re-appointment after the end of above tenure shall be subject to the extant provisions of the Companies Act, 2013, as amended, from time to time.

The term “Independent Director” should be construed as defined under the Companies Act, 2013 and the listing agreement.

As an Independent Director you are not liable to retire by rotation.

2. Committees

You are currently a member of the _____ Committee(s) and the Chairman of _____ Committee(s) of the Board of Directors of the Company. The Board of Directors (the Board) may invite you for being appointed on one or more of the existing Board Committees or any Committee(s) that may be set up in the future. Your appointment on such Committee(s) will be subject to the applicable legal requirements.

3. Time Commitment

3.1 As a Non-Executive Director Independent Director you are expected to bring objectivity and independence to the Board’s/Committee(s) discussions and help provide the Board/Committee(s) with effective leadership in relation to the Company’s strategy,

performance, as well as ensuring high standards of financial probity and corporate governance. The Board and the Audit Committee meet at least four times in a year. The meetings of other committees are held as per requirement. You will be expected to attend the Board, the Board Committees and the Annual General Meetings and to devote sufficient time, as required for you to discharge your duties effectively.

3.2 By accepting this appointment, you confirm that you are in a position to allocate sufficient time to meet the expectations of your role to the satisfaction of the Board.

4. Fiduciary Duties

Your role and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 and the listing agreement. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and inter alia are as under:

I. Subject to the provisions of Companies Act, 2013, you shall act in accordance with the Company's Articles of Association.

II. You shall act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment.

III. You shall discharge your duties with due and reasonable care, skill and diligence and shall exercise independent judgment.

IV. You shall not involve yourself in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company/SPGPrints B.V. or bring discredit to it.

V. You shall not assign your office as Director and any assignments so made shall be void.

VI. You shall abide by the 'Code of Conduct for Independent Directors' as outlined in Schedule IV to the Companies Act, 2013, as amended from time to time to the extent relevant and applicable to your role. The present code is annexed hereto as **Annexure A**.

5. Code of Business Conduct & Ethics

You shall adhere to the Company's Code of Business Conduct & Ethics for Board of Directors and Senior Management Personnel. The same is annexed hereto as **Annexure – B**.

6. Status of Appointment and Remuneration

6.1 You will not be an employee of the Company and this letter shall not constitute a contract of employment. You will be paid remuneration by way of sitting fees for attending meetings of the Board and its Committees as may be decided by the Board from time to time, subject to such statutory approval, if any required.

6.2 The sitting fees presently paid to a Non-Executive Independent Director are as under:

Type of Meetings	Sitting fees (in Rs.)
Board Meeting	54,000/-
Audit Committee Meeting	27,000/-
Stakeholders Relationship Committee Meeting	Nil
Nomination and Remuneration Committee Meeting	13,500/-
CSR Committee Meeting	13,500/-
Committee of Directors Meeting	13,500/-

7. Reimbursement of Expenses

In addition to the sitting fees described in paragraph 6, if the meeting is held in place other than your current place of residence i.e. Mumbai, the Company will, for the period of your appointment, reimburse you reasonable expenses incurred in the discharge of your roles/duties including:

7.1 Airfare to attend the Board or Committee meetings or General Meetings of Members, Court Convened Meetings or Meetings with Creditors, wherever applicable.

7.2 Accommodation in a hotel of high standing during the days of the Board and Committee Meetings or General Meetings of Members, Court Convened Meetings or Meetings with Creditors, and during the day prior to such meetings and/or on the day of the meeting and/or a day after the meeting, as may be necessary.

7.3 Out-of-pocket expenses like conveyance, food and incidentals that are incurred while attending Board and Committee meetings or General Meetings of Members, Court Convened Meetings or Meetings with Creditors.

8. Conflict of Interest

8.1 It is accepted and acknowledged that you may have business interests, memberships other than those of the Company. As a condition to your appointment commencing, you are required to declare any such directorships, appointments and interests to the Board in writing from time to time.

8.2 In the event that your circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgment that you are independent; the same should be disclosed to the Board of Directors.

9. Confidentiality

All information acquired during your tenure of directorship shall be treated as confidential and should not be disclosed to third parties without prior written approval from the CEO of SPGPrints Group, unless required by law or by the rules of any stock exchange or regulatory body. In the latter case, you would be required to suitably inform the CEO of SPGPrints Group, of such an event or disclosure. You should direct any media queries or approaches to the appropriate spokesperson within the Company. On request, you shall surrender any documents and other materials made available to you by the Company.

10. Dealings in shares

You are required to comply with the Company's Insider Trading Code of Conduct. This code inter alia prohibits the Directors from dealing in the Company's shares during the period when the trading window is closed. You are also required to comply with the applicable SEBI insider trading laws and regulations, as amended, from time to time.

11. Evaluation

You will be part of Annual Performance Evaluation Process prescribed for the Board.

12. Insurance

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

13. Disclosure of Interest

It is expected that any interest you may have in any transaction or arrangement that the Company has entered into should be disclosed no later than when the transaction or arrangement comes up at a Board Meeting/Audit Committee so that your interest appropriately get recorded in Minutes and our records are updated. A general notice to the Company that you are interested in any contracts with a particular person, firm or company is acceptable.

14. Termination

14.1. 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 to the Board.

14.2. Your directorship on the Board of the Company shall terminate or cease in accordance with law of land and Articles of Association of the Company.

15. Acceptance of Appointment

We are confident that the Board and the Company will benefit immensely from your rich experience and we are glad to have you as an integral part of the growth of the Company. Please confirm your acceptance by signing and returning the enclosed copy of this letter.

We thank you for your continued support and commitment to the Company.

Yours Sincerely,

For Stovec Industries Limited

Managing Director/Director
(DIN: _____)

I hereby acknowledge receipt of and accept the terms and conditions set out in this letter.

(Name of Independent Director)

(DIN: _____)

Schedule IV of Companies Act, 2013

[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 fulfillment 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) scrutinize 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 formalized 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;

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.



STOVEC INDUSTRIES LIMITED

STOVEC CODE OF BUSINESS CONDUCT & ETHICS

**FOR
BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL**

**STOVEC CODE OF BUSINESS CONDUCT & ETHICS
FOR
BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL**

1. INTRODUCTION

The Code of Conduct (“**Code**”) has been adopted by Stovec Industries Limited (“**Company/ Stovec**”) to comply with the applicable rules of the Stock exchanges where the securities of the Company are listed.

2. APPLICABILITY

The Code has been prescribed as a guiding principle for doing business and is addressed to all those who does any act for and on behalf of the Company. However, the Board of Directors of Stovec (“**Board**”) and the Senior Management Personnel (as defined hereinafter) of Stovec (collectively referred to as the “**Officers**”) shall be directly responsible and accountable for implementation and adherence of the same.

The Senior Management Personnel for this purpose shall mean employees in the cadre one level below the Managing Director, including all functional heads.

3. FINANCIAL REPORTING AND RECORD

The officers shall:

- prepare, maintain and report accounts in accordance with the generally accepted accounting and financial standards, guidelines, principles, laws and regulations of the country;
- make accounting information accessible to the auditors of the Company, other authorized parties and government agencies;
- not willfully omit any company transactions from books and records; and
- any misrepresentation of and/or misinformation of the financial accounts and reports is a violation of the code apart from inviting civil or criminal action.

4. ANNUAL DECLARATION:

As required under Clause 49(D) of the Listing Agreement, every Officer shall sign and submit the declaration to the Company Secretary (as per Annexure – I) on an annual basis, within 30 days of the close of every financial year, affirming compliance with the provisions of this Code.

5. EQUAL OPPORTUNITY EMPLOYER

All Directors and Senior Management Personnel shall provide equal opportunities in employment to all irrespective of race, caste, religion, color, ancestry, marital status, sex, age, nationality, disability and veteran status and treat all employees with dignity and maintain work environment free of sexual harassment – physical, verbal or psychological.

6. PRINCIPLES OF CONDUCT

All Officers shall pursue the highest standards of ethical conduct in the interests of shareholders and all other stakeholders. In particular, they should:

- Not take improper advantage of the position in the Company;
- Act honestly and use their powers of office, in good faith and in the best interests of the company;
- Use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office;
- Be independent in judgment and actions and take all reasonable steps to be satisfied as to the soundness of all the decisions taken by the Senior Management;
- Not engage in conduct likely to bring discredit upon the Company;
- Make all necessary disclosures to the company in terms of the Companies Act, 1956/2013, the Listing Agreement and any other law for the time being in force;
- Maintain highest level of professional conduct that would enhance the image, goodwill and creditability of the business of the Company; and
- Create an atmosphere of highest integrity, trust, fairness and honesty in performance of their duty which should strengthen the bond of relationships with people both internally and externally.

7. OBSERVANCE AND VIOLATION OF THE CODE:

It is imperative that the Officers follow the Code. These standards apply while working on the premises, at offsite locations wherever business is being conducted, or at any other place or where the employee is a representative of the Company.

The Officers shall affirm compliance by the code on an annual basis each year.

Stovec Code of Business Conduct & Ethics

Violations of this code will result in disciplinary action and the Board of the Company or any committee/ person designated by the Board for this purpose shall determine appropriate action in response to violations of this code.

8. CONFLICT OF INTEREST

Each Director and Senior Management Personnel is expected to avoid any outside activity, financial interest or relationship that present a possible conflict of interest or appearance of a conflict of interest with the company.

9. TRANSPARENCY:

Any Director and Senior Management Personnel shall ensure that their actions in the conduct of business are totally transparent except where the need of business activity dictates otherwise. Such transparency shall be brought about through appropriate policies, systems and processes.

10. SPECIAL CONSIDERATION, GIFTS AND OTHER BENEFITS:

Under no circumstances shall any Senior Management Personnel directly or indirectly solicit, accept or retain any gift, entertainment, trip, discount, service, or other benefit from any organization or person doing business with Stovec or competing with Stovec, other than modest gifts or entertainment as part of normal business courtesy and hospitality. Gift if any received needs to be reported to the CFO of the company, who will advice based on company's policy.

11. CONFIDENTIAL INFORMATION

The Officers shall maintain the confidentiality of confidential information of the Company or that of any customer, supplier or business associate of the Company to which the Company has duty to maintain confidentiality, except when disclosure is authorized by the Company or is required by law. All confidential information must be used only for the Company's business purposes. The use of confidential information for his/her advantage or profit is prohibited.

12. COMPANY'S SPOKESPERSON

No Officer except the Chairman or Managing Director shall announce or communicate any important or price sensitive information to the press, financial analysts or such other agencies, provided a copy of such communication is provided to the Stock Exchanges where the shares of the company are listed

13. TRADING OF STOVEC SHARES:

In the trading of Stovec shares while in possession of the confidential information, the Board and Senior Management Personnel shall abide by the provisions and disclosure norms prescribed in SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time and the Company's Code of Insider Trading Regulations.

14. HEALTH, SAFETY AND ENVIRONMENT:

All Directors and the Senior Management Personnel shall strive to provide a safe and healthy working environment and shall follow all prescribed safety and environment related norms.

15. DUTIES OF INDEPENDENT DIRECTOR OF THE COMPANY

15.1 Guidelines of Professional Conduct

Every independent Director of the Company shall:

- i. uphold ethical standards of integrity and probity;
- ii. act objectively and constructively while exercising his duties;
- iii. exercise his responsibilities in a bona fide manner in the interest of the Company;
- iv. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- v. 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;
- vi. not abuse his/her 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;
- vii. refrain from any action that would lead to loss of his/her independence;
- viii. where circumstances arise which make an independent Director lose his/her independence, the independent director must immediately inform the Board accordingly; and
- ix. assist the Company in implementing the best corporate governance practices.

15.2 Role & Functions

Every independent Director of the Company shall:

- i. 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;
- ii. bring an objective view in the evaluation of the performance of Board and management;
- iii. scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- iv. satisfy themselves on the integrity of financial information and that financial control and the systems of risk management are robust and defensible;
- v. safeguard the interests of all stakeholders, particularly the minority shareholders;
- vi. balance the conflicting interest of the stakeholders;
- vii. 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; and

Stovec Code of Business Conduct & Ethics

- viii. moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

15.3 Duties

The independent Directors shall:

- i. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- ii. 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;
- iii. strive to attend all meetings of the Board of Directors and of the Board committees of which he/she is a member;
- iv. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- v. strive to attend the general meetings of the Company;
- vi. 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;
- vii. keep themselves well informed about the Company and the external environment in which it operates;
- viii. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- ix. 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;
- x. 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;
- xi. report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- xii. acting within his/her authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- xiii. 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; and
- xiv. discharge such other duties as may be prescribed in the Companies Act, 2013, the Rules thereunder and the Listing Agreement with the Stock Exchanges, as amended from time to time.

16. PLACEMENT OF THE CODE ON WEBSITE

Pursuant to Clause 49 of the Listing Agreement, the Code and any amendments thereto shall be posted on the website of the Company.

17. AMENDMENT OF THE CODE:

The Code may be amended to meet the requirements of any relevant statute or the business interest of the Company by the Board of the Company. Unless otherwise specified, such amendments shall be effective from the date of meeting of the Board at which such amendments are approved.

Note:

*Originally adopted by the Board of on October 22, 2008;
Amended version adopted by the Board of Directors on November 11, 2014.*

Stovec Code of Business Conduct & Ethics

Annexure – I

Declaration

To,
The Board of Directors
Stovec Industries Limited
N.I.D.C., Nr. Lambha Village,
Post: Narol, Ahmedabad,
Gujarat – 382 405

Dear Sir/ Madam,

I, Mr./Mrs./Ms. _____, _____ [designation] do and hereby acknowledge and confirm that during the financial year _____, to the best of my knowledge and belief, I have not violated any of the provisions of the Code of Conduct for Directors and Senior Management Personnel or any of the policies or legal/regulatory requirements of the Company, as may be applicable to my responsibility.

Signature:

Name:

Designation:

Place:

Date:

Note: Please sign and submit this declaration within 30 days of the close of every financial year.