

DRAFT AGREEMENT BETWEEN NIRLON LIMITED
AND
MR. RAHUL V. SAGAR, EXECUTIVE DIRECTOR & CEO

THIS AGREEMENT is made and entered in to at Mumbai on this
_____ day of _____, 2020

BETWEEN

NIRLON LIMITED (CIN: L17120MH1958PLC011045), a public limited Company registered under the provisions of the Companies Act, 1956 and having its Registered Office situate at Pahadi Village, Goregaon (E), Mumbai: 400 063 (hereinafter referred to as “**the Company**” and includes its successors and assigns thereof) of **the One Part**;

AND

Mr. Rahul V. Sagar (DIN 00388980), Son of late Dr. V. V. Sagar, residing at 10, Kumaram, Worli, Mumbai, (hereinafter referred to as the **“Executive Director & CEO”**) of **the Other Part**.

WHEREAS Mr. Rahul V. Sagar has been inducted as a nominee of the Sagar Promoter Group w.e.f. June 24, 2006 and he has been occupying office of the Executive Director in the Company since July 1, 2009 from time to time.

AND WHEREAS Mr. Rahul V. Sagar current term as the Executive Director and CEO of the Company will be expiring January 31, 2021. It is expedient and in the interest of the Company to renew the said contract of employment with Mr. Rahul Sagar as Executive Director & CEO for a further period of 5 (five) years effective from February 1, 2021.

AND WHEREAS Mr. Rahul Sagar was additionally designated as the Chief Executive Officer (**CEO**) of the Company effective from November 12, 2018

AND WHEREAS the Nomination and Remuneration Committee at their meeting held on November 13, 2020 considered Mr. Rahul V. Sagar’s contribution and achievements during his term as Executive Director & CEO of the Company.

AND WHEREAS the Nomination and Remuneration Committee felt that Mr. Rahul Sagar has proved his ability with respect to commercial and project implementation, and his familiarity with the Company as Promoter Director will be of great support to the Company, not only for the successful execution of the Company’s ongoing project but also to successfully implement the Company’s future plans.

AND WHEREAS the Nomination and Remuneration Committee recommended to the Board of Directors of the Company appointment of Mr. Rahul V. Sagar and the proposed payment of his Managerial Remuneration

for a period of five (5) years w.e.f. February 1, 2021 to January 31, 2026 by passing an appropriate resolution.

AND WHEREAS the Board of Directors of the Company based on the recommendation given by the Nomination and Remuneration Committee, passed an unanimous resolution at their meeting held on November 13, 2020, subject to the approval of the Shareholders by way of a special resolution, and approval of the Central Government, if any, required, approving the appointment of Mr. Rahul V. Sagar and the proposed payment of his Managerial Remuneration as the Executive Director & CEO of the Company for a period of 5 (five) years w.e.f. February 1, 2021 to January 31, 2026 on terms as set out in the resolution passed by the Board of Directors of the Company.

AND WHEREAS the proposed remuneration of Mr. Rahul V. Sagar, Executive Director & CEO of the Company, may / may not be in excess of the ceilings prescribed in Sections 197 and other applicable provisions of the Companies Act, 2013 (**“the Act”**) read with Schedule V thereof.

AND WHEREAS as a matter of abundant caution, an application will be made to the Central Government for payment of the remuneration, if required, in case of inadequate profit /loss. Until such time as approval for payment of the remuneration is received from the Central Government, Mr. Rahul V. Sagar will be paid minimum remuneration as per the provisions of the Act.

AND WHEREAS it has been decided by the Parties hereto to record the terms of appointment of the Executive Director & CEO in writing.

NOW THEREFORE IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS:

1. The Executive Director & CEO shall hold the office for a period of 5 (five) years w.e.f. February 1, 2021 to January 31, 2026, or such other term as may be approved by the Shareholders of the Company by way of a special resolution, and the Central Government or for such period

till he holds the office of the Executive Director & CEO whichever is earlier (unless he resigns from the office as the Executive Director & CEO by giving to the Company a notice in writing).

2. The Executive Director & CEO shall not, so long as he functions as such, becomes interested or otherwise concerned, directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.
3. The Executive Director & CEO shall act under the supervision and direction of the Board of Directors of the Company and as such he shall be responsible for such function/duties as may be delegated to him by the Board of Directors including but not limited to overall execution of commercial aspects of one or more phases of the Nirlon Knowledge Park Project and/or any other subsequent project(s) and such other functions/duties as the Board of Directors may from time to time delegated to him.
4. The Executive Director & CEO shall be bound to devote his whole time and attention to the management of the Company and its business. Subject to the provisions of the Act and subject to the sanction of the Board of Directors as required under section 188 and other applicable provisions of the said Act, the Executive Director & CEO or any firm of which he is the sole proprietor or partner or any company of which he is the director shall be at liberty to enter into contracts and arrangement with the Company and all such contracts and arrangements shall be valid and effectual.
5. The Executive Director & CEO shall be entitled to remuneration with effect from February 1, 2021 as under:

A) Fixed Remuneration

Particulars	Amount (In INR)
A. SALARY	

<ul style="list-style-type: none"> • Monthly Basic Salary • Gratuity • Contribution to Provident fund 	<p style="text-align: right;">5,33,333.33</p> <p style="text-align: right;">As per statute</p> <p style="text-align: right;">As per statute</p>
<p>B. ALLOWANCE</p> <ul style="list-style-type: none"> • Monthly House rent allowance (50% of basic salary) 	<p style="text-align: right;">2,66,666.66</p>
<p>C. PERQUISITES</p> <ul style="list-style-type: none"> • Transport and driver • Telephones/mobile • Leave travel concession • Medical insurance for self and family 	<p style="text-align: right;">At actual</p> <p style="text-align: right;">At actual</p> <p style="text-align: right;">2,00,000/- p.a.</p> <p style="text-align: right;">As per the Company's rules</p>

For this purpose “Family” means spouse, dependant children and dependant parents of the Executive Director & CEO.

Above provision of car and telephone at residence for use on the Company’s business will not be considered as perquisites. Personal long distance calls and use of car for private purpose shall be billed by the Company to the Executive Director & CEO.

B) Variable Compensation

Proportionate variable pay linked to performance ranging from 50% to 200% of basic salary, to be decided for each corporate financial year i.e. from 2020-21 to 2025-2026 by the Board of Directors (which includes any Committee thereof).

Minimum remuneration: Notwithstanding anything contained in this Agreement herein, where during the term of appointment of Mr. Rahul V. Sagar in the event of loss or inadequacy of profit in the financial year ranging from 2020-2021 to 2025-2026, unless otherwise approved by the Central Government, the remuneration

payable to Mr. Rahul V. Sagar including salary, perquisites and any other allowances shall be governed and be subject to the ceiling provided under Schedule V to the Act or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

6. Subject to the provisions of the Act, the Executive Director & CEO shall not be liable to the acts, receipts, neglects or defaults of any director, officer or employee of the Company or for any other loss, damage or misfortune, whatsoever which shall happen in the performance of the duties of his office or in relation thereto unless the same happens through his own willful default.
7. Subject to the provisions of the Act, on the Executive Director & CEO ceasing to hold office of the Executive Director & CEO of the Company for any reason other than those set out in section 191 of the Act, the Company shall, subject to applicable provisions of the Act, be bound to pay to the Executive Director & CEO as compensation, a sum which shall not exceed the remuneration which he would have earned if he had been in office for the unexpired residue of his term.
8. The Executive Director & CEO shall be entitled to proportionate privilege leave on full pay and allowance, but not more than one month's leave for every year of service and he shall be entitled to encash leave not availed of at the end of the tenure as per the rules of the Company.
9. This Agreement may be terminated by the Company or by him by giving not less than 3 (three) months prior notice in writing.
10. The Executive Director & CEO shall be entitled to reimbursement of expenses actually and properly incurred for the business of the Company as well as other expenses incurred by him in the performance of his duties on behalf of the Company.

11. The Executive Director & CEO shall be entitled to reimbursement of business promotion expenses actually and properly incurred by him in the course of legitimate business of the Company.
12. No sitting fees shall be payable to the Executive Director & CEO for attending the meetings of the Board of Directors or Committee thereof.
13. The Executive Director & CEO shall not be liable to retire by rotation.
14. All disputes and differences which shall arise between the Company or its assigns and the Executive Director & CEO or his legal heirs, executors and administrators of the Executive Director & CEO touching these presents or the construction or application thereof or any clause or thing herein contained or any act, deed or commission in connection with the Company or its business or rights, duties and liabilities of the two parties hereto or their representative in connection with the premises shall be referred to a single arbitrator in case the parties agree upon one, otherwise to a panel of three arbitrators, one to be appointed by each party and third arbitrator shall be appointed by the said two arbitrators. The arbitration proceedings shall take place at Mumbai in accordance with and subject to the provisions of the Arbitration & Conciliation Act, 1996, or any statutory modification for the time being in force. Further the Courts at Mumbai shall have the exclusive jurisdiction to decide any matter arising out of this Agreement.
15. In the event of any change in the Government's policy of managerial remuneration and/or in the guidelines framed there under from time to time which may have the effect of increasing the remuneration or perquisites or benefits of the Executive Director & CEO, the terms of this Agreement shall stand amended accordingly.

IN WITNESS WHEREOF the Common Seal of Nirfon Limited is hereunto affixed and Mr. Rahul V. Sagar has hereto set and subscribed his hand on the day, month and year first hereinabove written

THE COMMON SEAL OF)
NIRLON LIMITED)

In the presence of

1. Anjali Seth,
2. Sridhar Srinivasan , and

Jasmin K. Bhavsar, Company Secretary &)
Vice President (Legal) of the Company)

SIGNED AND DELIVERED BY)
the within named Rahul V. Sagar)

Witnesses: