

STEL Holdings Limited

(CIN: L65993KL1990PLC005811)

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H. C. Dalal

28-B Jeevan Sudha,
C D Barfiwala, Marg, Andheri (West),
Mumbai - 400058,
Maharashtra

Sub: Appointment as an Independent Director of the Company

Dear Sir,

We are pleased to inform you that the shareholders of the Company at their Annual General Meeting held on September 30, 2014 have appointed you as an Independent Director of the Company. The broad terms of your appointment and the Board's expectation from you is as detailed under:

1. Term of Appointment:

Your appointment shall be valid for a term of 5 (five) consecutive years commencing from October 1, 2014 till September 30, 2019. The Board of Directors of the Company (Board) or the Nomination and Remuneration Committee (NRC) of the Board, as the case may be, will evaluate your performance on an annual basis and based on the performance evaluation report, it shall be determined whether to continue your appointment as Independent Director. At the end of your tenure, you may be re-appointed based on the recommendation of the NRC and subject to the approval of the Board and Shareholders. Your re-appointment would be considered by the NRC and the Board based on the outcome of the performance evaluation report and you continuing to meet the criteria of independence as per Section 149 of the Companies Act, 2013.

The appointment shall be terminable either by you, upon serving the notice as per the provisions of the Companies Act, 2013, or by the Company.

2. Expectations of the Board and the Duties:

You will be expected to perform your duties efficiently and diligently to a standard corresponding to your knowledge, skills and experience and in accordance with the Guidelines of professional conduct and the roles and functions as specified under Schedule IV to the Companies Act, 2013. Further, you are required to perform such other functions/duties which may be assigned to you by the Board from time to time.

3. Board Committees:

There are 3 committees constituted by the Board, namely Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. You shall continue to serve as a Member of the following committees of the Board:

- i) Audit Committee (Member)
- ii) Nomination & Remuneration Committee (Member)

The Board reserves a right to decide about your membership in any of the Committees, from time to time.

4. Code of Conduct:

The Board has adopted a Code of Conduct for its Directors and Senior Management personnel and also a Code for Prevention of Insider Trading. You are expected to abide by the provisions of the aforesaid Code of Conduct.

5. Remuneration:

As an Independent Director, you will be entitled to receive sitting fee as under:

- Board Meeting – Rs 3000/- (Rupees Three Thousand only), each for the Meeting.
- Audit Committee Meeting - Rs 3000/- (Rupees Three Thousand only), each for the Meeting.

No sitting fee will be paid for attending the Meetings of Nomination & Remuneration Committee and Stakeholders Relationship Committee.

The Board may revise the sitting fee as and when they may deem fit.

In addition to the sitting fee, you are entitled for conveyance for attending meetings of the Board or the Committees and also re-imburement of travel and accommodation expenses incurred for participating in the meetings of the Board/ Committees.

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

Yours sincerely

For **STEL Holdings Limited**

Sunil Bhandari
Director

November 12, 2014