

Letter of Appointment of Independent Directors

To,

[insert name of independent director]

[insert address]

Dear Sir,

Sub: Appointment as an Independent Non-Executive Director under the Companies Act, 2013.

We are pleased to inform you that pursuant to the provisions of the Companies Act, 2013 (the Act), the shareholders of the Company at the 33rd Annual General Meeting held on the 30th September, 2014 have passed the requisite resolution for your appointment as an Independent Director of the Company. This letter of appointment sets out the terms and conditions covering your appointment.

Appointment

You are appointed as an Independent Director of the Company with effect from 30th September, 2014, up to 29th September, 2019, or the conclusion of the 38th Annual General Meeting of the Company, whichever is earlier.

Committees of the Board:

Since you are a continuing member of the Board, and hold the position of an independent non-executive director even prior to the current appointment at the 33rd Annual General Meeting, and are already co-opted as member of the following Committees of the Board, you shall continue to be the member of such Committees. The constitution and terms of reference of these Committees are as follows:

(To be modified, as applicable)

I. Audit Committee

Pursuant to Section 177 of the Act, read with amended Clause 49(III) of the Listing Agreement with the Stock Exchanges, the Audit Committee of the Board of Directors comprises of the following members:

- 1) Dr. Lalit Bhasin, Independent Non-Executive Director (as Chairman);
- 2) Mr. Dinesh Chandra Kothari, Independent Non-Executive Director;
- 3) Mr. Gautam Ramanlal Divan, Independent Non-Executive Director; and
- 4) Mr. Shiv Kumar Jatia, Chairman & Managing Director.

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The role, powers and terms of reference of the Audit Committee are the same as defined under Section 177 of the Act and Clause 49 of the Listing Agreement, as amended from time to time, and that its business and meetings shall be conducted in terms of the above referred provisions.

The quorum for the Committee meeting is two independent non-executive director members.

II. Stakeholders' Relationship Committee

Pursuant to Section 178 of the Act, read with Clause 49(VIII) of the Listing Agreement, as amended from time to time, the Stakeholders' Relationship Committee of the Board of Directors comprises of the following members:

- 1) Mr. Dinesh Chandra Kothari, Independent Non-Executive Director (as Chairman);
- 2) Dr. Lalit Bhasin, Independent Non-Executive Director; and
- 3) Mr. Shiv Kumar Jatia, Chairman & Managing Director.

The terms of reference of the Stakeholders' Relationship Committee are as follows:

- a) To supervise the redressal of security holders and investors complaints and grievances;
- b) To consider and approve transfer of shares in physical form lodged with the Company;
- c) To consider and approve consolidation of folios, consolidation of shares, splitting of share certificates, request for re-materialization of shares etc.;
- d) To consider and approve request for issuance of duplicate shares certificates; and
- e) To exercise such other powers and duties of the Board in connection with the matters concerning the shareholders, as the Board may specifically assign to the said Committee from time to time.

The quorum for the Committee meeting is two members.

III. Nomination & Remuneration Committee

Pursuant to Section 178 of the Act, read with amended Clause 49(IV) of the Listing Agreement, as amended from time to time, the Nomination & Remuneration Committee of the Board of Directors comprises of the following members:

- 1) Dr. Lalit Bhasin, Independent Non-executive Director (as Chairman);
- 2) Mr. Dinesh Chandra Kothari, Independent Non-executive Director; and
- 3) Mr. Gautam Ramanlal Divan, Independent Non-executive Director.

The terms of reference of the Committee are the same as defined under Section 178 of the Act and Clause 49 of the Listing Agreement, as amended from time to time, and that its business and meetings are conducted in terms of the above referred provisions.

The quorum for the Committee meeting is any two independent non-executive director members.

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IV. Corporate Social Responsibility (CSR) Committee

Pursuant to Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the CSR Committee of the Board of Directors comprises of the following members:

- 1) Mr. Shiv Kumar Jatia, Chairman & Managing Director (as Chairman);
- 2) Dr. Lalit Bhasin, Independent Non-Executive Director;
- 3) Mr. Dinesh Chandra Kothari, Independent Non-Executive Director; and
- 4) Mr. Gautam Ramanlal Divan, Independent Non-Executive Director.

Every year, the Committee is expected to identify the designated activities to be undertaken by the Company as per the CSR Policy as may be approved by the Board of Directors on the recommendations of the CSR Committee; ascertain the amount which the Company is required to spend on CSR activities in pursuance of Section 135(5) of the Act; allocate budget for each such activity and recommend how and through which institutions such activities should be undertaken.

The Committee is also entrusted with the task of recommending a monitoring and reporting mechanism so as to ensure that the activities included in the CSR Policy are undertaken and the funds allocated there-for are appropriately utilized.

The quorum for the Committee meeting is two members.

V. Business Development cum Finance Committee

Business Development cum Finance Committee comprises of the following members:

1. Mr. Shiv Kumar Jatia, Chairman & Managing Director (as Chairman);
2. Dr. Lalit Bhasin, Independent Non-Executive Director;
3. Mr. Dinesh Chandra Kothari, Independent Non-Executive Director; and
4. Mr. Amritesh Jatia, Non-Executive Director.

Terms of Reference of the said Committee are as follows:

a) Relating to business development activities

- To explore and evaluate business opportunities and take primary / basic initiatives by way of submitting tenders, filing expression of interest, application for qualification, filing bids, negotiating and signing consortium agreements, and submitting application fee / security deposits relating to the aforesaid so as not to make financial commitments for an amount exceeding Rs. 15 crores in respect of each such business development opportunity provided that any of the aforesaid actions individually or collectively should not constitute an irretrievable commitment on the part of the Company to undertake the respective project unless and until the said project has been appraised by the Audit Committee and approved by the Board of Directors of the Company.

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b) Relating to financial activities

- To evaluate, negotiate and finalize the terms and conditions to avail such credit facilities / loans / borrowings from banks, financial institutions or other bodies corporate as may be required to overcome temporary cash flow mismatch in the ordinary course of business or to meet urgent financial requirements for the existing / approved business purposes provided that such borrowings between two consecutive Board Meetings shall not exceed a sum of Rs. 100,00,00,000/- (Rupees one hundred crores);
- To negotiate and finalize the terms and conditions relating to creation of charge on the assets of the Company to secure such borrowings / loans / credit facilities; and
- To negotiate, finalize and execute requisite loan documents, security documents and other deeds, documents and writings to avail of the aforesaid credit facilities / loans / borrowings including authorization to affix the Common Seal of the Company wherever required on the aforesaid documents and seek disbursement thereof.

The quorum for the aforesaid Committee meeting is two members but the attendance of one of the independent directors is mandatory.

VI. Committee of the Board of Directors constituted to discharge powers of the Board u/s 180(1)(a) of the Act

The Committee of Directors constituted to discharge powers of the Board u/s 180(1)(a) of the Act, comprises of the following members:

1. Mr. Shiv Kumar Jatia, Chairman & Managing Director (as Chairman);
2. Dr. Lalit Bhasin, Independent Non-Executive Director; and
3. Mr. Amritesh Jatia, Non-Executive Director.

Terms of reference of the aforesaid Committee are as follows:

This Committee was constituted to exercise powers conferred upon the Board of Directors of the Company by a special resolution passed by the shareholders under Section 180(1)(a) of the Act to sell, lease or otherwise dispose of certain assets of the Company.

The quorum for the aforesaid Committee meeting is two members but the attendance of the independent director is mandatory.

Professional Conduct, Role & Duties:

Your Professional Conduct, Role & Duties as an Independent Director have been delineated in Schedule IV to the Act, and are detailed below for ease of reference.

Professional Conduct:

As an independent director of the Company you shall:

- a) uphold ethical standards of integrity and probity;

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- b) act objectively and constructively while performing your duties;
- c) discharge your responsibilities in a *bona fide* manner in the interest of the Company;
- d) devote sufficient time and attention to your professional obligations for informed and balanced decision making;
- e) 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;
- f) not abuse your 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;
- g) refrain from any action that would lead to loss of your independence;
- h) where circumstances arise which make you lose your independence, you must immediately inform the Board accordingly;
- i) assist the Company in implementing the best corporate governance practices.

Role:

As an independent director of the Company you shall:

- a) 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;
- b) bring an objective view in the evaluation of the performance of the Board and management;
- c) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- d) satisfy yourself on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- e) safeguard the interests of all stakeholders, particularly the minority shareholders;
- f) balance the conflicting interest of the stakeholders;
- g) 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;
- h) moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

Duties:

As an independent director of the Company you shall:

- a) undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the Company;
- b) 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;
- c) strive to attend all meetings of the Board of Directors and its committees of which you are a member;

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- d) participate constructively and actively in the committees of the Board in which you are chairperson or member;
- e) strive to attend the general meetings of the Company;
- f) where you 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 your concerns are recorded in the minutes of the Board meeting;
- g) keep yourself well informed about the Company and the external environment in which it operates;
- h) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- i) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure yourself that the same 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 behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy;
- l) acting within your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- m) 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.

Liabilities of an Independent Director:

Directors hold a fiduciary relationship with the Company, and therefore, may be held liable for any act of commission or omission; or where they act negligently or without diligence. Your attention is drawn to Section 149(12) of the Act, which provides that an independent director shall be held liable, only in respect of such acts of omission or commission by a Company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.

Directors' and Officers' Insurance:

The Company has the Directors' and Officers' Insurance Policy and it intends to maintain such insurance cover for the full term of your appointment.

Code of Conduct:

You are required to abide by the Company's Code of Conduct for Directors and Senior Management Personnel, a copy of which is enclosed for your perusal and acceptance.

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Declarations:

You are requested to promptly notify the Company of any change in your directorships, and provide such disclosures and information as may be required under the applicable laws from time to time.

During your tenure as an Independent Director, you agree to promptly provide a declaration in accordance with Section 149(7) of the Act for every financial year, and also upon any change in circumstances which may affect your status as an Independent Director.

Confidentiality:

You shall maintain complete confidentiality regarding all documents and information acquired by you or shared by the Company with you during your tenure and shall not disclose to or share with any third party, either during your tenure as an Independent Director or even thereafter, without prior clearance from the Chairman of the Board of Directors of the Company, unless required to disclose under any law or regulation. On request, you shall surrender any document and other materials made available to you by the Company.

Remuneration:

Pursuant to Section 197 read with Section 198 of the Act, the non-executive directors of the Company, including the independent directors are collectively entitled to remuneration by way of commission on profit not exceeding 1% (one percent) of net profit of the Company for the relevant year, with the liberty to the Board of Directors to vary the amount or proportion payable to each one of the non-executive directors, based on their performance every year, provided that individually none of such directors shall receive a sum exceeding Rs. 5,00,000/- (Rupees five lac) in respect of any financial year.

Further, you will be entitled to such sitting fee for attending meetings of the Board and its Committees, except the CSR Committee, as may be decided by the Board from time to time.

Please note that you shall not be entitled to any stock options.

In addition to the above remuneration, you will be entitled to reimbursement of travelling, lodging, boarding and related expenses incurred by you in connection with the business of the Company and/or attending the Board/Committee meetings and General meetings.

Independent Professional Advice:

Should there be an occasion when you consider that you need independent professional advice in furtherance of your duties as a Director, you shall be at liberty to consult, as far as possible jointly with other Independent Directors, independent advisors at the Company's expense. The Company will reimburse the full cost of expenditure reasonably incurred in connection therewith.

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Resignation or Removal:

The resignation or removal of an Independent Director shall be in the manner as provided under Sections 168 and 169 of the Act.

General:

This letter and any non-contractual obligations arising out of or in connection with this letter are governed by, and shall be construed in accordance with the laws of India, and the parties agree to submit to the exclusive jurisdiction of the courts in India.

Please confirm your agreement to the above by signing and returning the enclosed duplicate copy of this letter.

Thanking you,

Yours sincerely,

For Asian Hotels (North) Limited

Shiv Kumar Jatia
Chairman & Managing Director

Agreed and Accepted

[Insert name of Independent Director]