

To,
[insert name of the Independent Director]
[insert address]

Dear,

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 Board of Directors of the Company in its meeting held on have appointed you as an Additional Director in the capacity of an independent director, in pursuance to Section 161(1) read with Section 149(6) of the Act, and that subject to approval of the Members at the forthcoming annual general meeting of the Company, your tenure as an independent director is fixed for a period of consecutive years i.e. up to This letter of appointment sets out the terms and conditions covering your appointment.

Appointment:

You are appointed as an Independent Non-executive Director of the Company for a term of consecutive years fromto, subject to approval of the Members at the forthcoming annual general meeting.

Committees of the Board:

As advised by the Board, during tenure of your office, you may be required to serve on one or more Committees of the Board. Upon your appointment to one or more of the Committees, the relevant Committee's terms of reference will be provided to you.

- I. Audit Committee;**
- II. Stakeholders' Relationship Committee;**
- III. Nomination & Remuneration Committee;**
- IV. Corporate Social Responsibility (CSR) Committee;**

I. Audit Committee

Pursuant to Section 177 of the Companies Act, 2013 (the Act), read with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), the Audit Committee of the Board of Directors comprises of the following members:

- 1) Dr. Lalit Bhasin, Independent Non-executive Director,
- 2) Mr. Dinesh Chandra Kothari, Independent Non-executive Director
- 3) Ms. Preeti Gandhi, Independent Non-executive Director, and
- 4) Mr. Shiv Kumar Jatia, Managing Director

The role, powers and terms of reference of the Audit Committee are enclosed as **Annexure I** to this letter.

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

II. Nomination and Remuneration Committee

Pursuant to Section 178 of the Act, read with Regulation 19 of the Listing Regulations, the Nomination and Remuneration Committee of the Board of Directors comprises of the following members:

- 1) Dr. Lalit Bhasin, Independent Non-executive Director,
- 2) Mr. Dinesh Chandra Kothari, Independent Non-executive Director,
- 3) Ms. Preeti Gandhi, Independent Non-executive Director, and
- 4) Mr. Amrutesh Jatia, Non-executive Director

The role, powers and terms of reference of the Nomination and Remuneration Committee are enclosed as **Annexure II** to this letter.

The quorum for the Committee meeting is any two members.

III. Stakeholders' Relationship Committee

Pursuant to Section 178 of the Act, read with Regulation 20 of the Listing Regulations, the Stakeholders' Relationship Committee of the Board of Directors comprises of the following members:

- 1) Mr. Dinesh Chandra Kothari, Independent Non-executive Director,
- 2) Ms. Preeti Gandhi, Independent Non-executive Director,
- 3) Mr. Shiv Kumar Jatia, Managing Director,
- 4) Mr. Akhilesh Bhuwarka, Non-executive Director; and
- 5) Mr. Amrutesh Jatia, Non-executive Director

The role, powers and terms of reference of the Stakeholders Relationship Committee are enclosed as **Annexure III** to this letter.

The quorum for the Committee meeting is two members, including one independent director.

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, Managing Director
- 2) Dr. Lalit Bhasin, Independent Non-executive Director
- 3) Mr. Dinesh Chandra Kothari, Independent Non-executive Director, and
- 4) Ms. Preeti Gandhi, Independent Non-executive Director

The CSR Committee is entrusted with the task of formulating the CSR Policy of the Company. Further, the said Committee is expected to ascertain every year, the amount which the Company is required to spend on CSR activities in pursuance of Section 135(5) of the Act; 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; 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.

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;
- b) act objectively and constructively while exercising your duties;
- c) exercise 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; and
- i) assist the Company in implementing the best corporate governance practices.

Role and Functions:

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 the financial controls and 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; and
- h) moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholders' 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;
- 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; and
- 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.
- n) hold at least one meeting in a year, without the presence of non-independent directors and members of the management wherein all the independent directors shall strive to be present; and shall, inter-alia, review the performance of non-independent directors and the Board as a whole; review the performance of the chairperson of the Company taking into account the view of the Executive Directors and non-executive directors; and assess the quality, quantity and timeliness of flow of the information between the management and the Board that is necessary for the Board to perform its duties effectively and reasonably.
- o) submit a declaration that you meet the criteria of independence as provided in Regulation 16(1)(b) of the Listing Regulations at the first meeting you attend as a director and thereafter at the first Board meeting in every financial year or whenever there is any change in circumstances that effect your independence.

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 as **Annexure IV** for your perusal and acceptance.

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:

In terms of Special Resolution approved by the shareholders pursuant to Section 197 read with Section 198 of the Act in the 37th Annual General Meeting held on 31st July, 2018, 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 every year, provided that individually none of such directors shall receive a sum exceeding Rs. 7,50,000/- (Rupees seven lac and fifty thousand only) 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.

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

[Name:.....]
[DIN:]