

Terms of Appointment of Independent Directors

To,
Independent Director

Dear Sir / Madam,

Sub - Appointment as an Independent Director

We are pleased to inform that your appointment as an Independent Director has been approved by our Shareholders at the duly convened 27th Annual General Meeting (27th AGM) on September 24, 2014 and shall be effective from September 24, 2014 for five consecutive years.

Being an independent Director, your appointment shall be governed by and subject to the compliance of prescribed provisions of Sections 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory amendment(s), modification(s), enactment(s) make and or to be made therein from time to time) read with Clause 49 of the Equity Listing Agreement.

We are enclosing other terms and conditions, scope of work profile with role, functions and duties associated with your appointment as an Independent Director.

A true copy of the resolution passed by the Shareholders at the 27th AGM is enclosed herewith for reference.

Kindly acknowledge the receipt of this letter.

Thanking you,

Yours faithfully,
For ADVANI HOTELS & RESORTS (INDIA) LIMITED

S/d
Sunder G. Advani
Chairman & Managing Director

Enclose - As mentioned above

**THE TERMS AND CONDITIONS, SCOPE OF WORK PROFILE WITH ROLE, FUNCTIONS
AND DUTIES ASSOCIATED WITH THE APPOINTMENT AS AN INDEPENDENT
DIRECTOR:**

I. TERMS AND CONDITIONS:

Mr X being Independent Director,

1. shall hold the office of Independent Director of ADVANI HOTELS & RESORTS (INDIA) LIMITED (the "Company") with effect from September 24, 2014, for five consecutive years.
2. shall not be liable to retire by rotation.
3. shall abide by the provisions specified in Schedule IV of the Companies Act, 2013.
4. his appointment shall always be governed by and subject to the compliance of prescribed provisions of Sections 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory amendment(s), modification(s), enactment(s) made and or to be made therein from time to time) read with Clause 49 of the Equity Listing Agreement.
5. is entitled to receive sitting fees within the limit prescribed from time to time under the applicable provisions of the Companies Act, 2013 and approved by the Board of Directors (the "Board") of the Company for attending the Board as well as Board's committee(s) Meetings.
6. is also entitled and will be paid by the Company his reimbursement of expenses for participation in the Board and other Meetings of the Company. He may be paid profit-related commission as may be approved by the Board of Directors and Members of the Company, if any.

II. 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.

III. SCOPE OF WORK PROFILE, ROLE AND FUNCTIONS:

Mr X being an independent director 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 the board and management of the Company;
- (3) scrutinise 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.

IV. DUTIES:

Mr X being independent director 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 he may be appointed as Chairpersons or Members;

- (5) strive to attend the general meeting(s) 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 to 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.

However, notwithstanding anything contained in the Companies Act, 2013 Mr. X as an Independent Director shall be held liable, only in respect to such acts of omission or commission by a Company which had occurred with his knowledge, attributable through Board process, and with his consent or connivance or where he had not acted diligently.