

TERMS CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS



The terms and conditions for appointment as an Independent Director on the Board of Delhi Duty Free Services Private Limited:

1. APPOINTMENT

- 1.1 Your term of appointment as Independent Director is for a period of _____ years on the Board of Directors of the Company.
- 1.2 As an Independent Director you will not be liable to retire by rotation.
- 1.3 During your tenure as an Independent Director, you will have to submit a declaration at the beginning of every Financial Year under section 149(7) of the Companies Act, 2013 (hereinafter referred as "Act") stating that you meet the criteria of Independence.
- 1.4 You will ensure compliance with other provisions of the Act as applicable to you as an Independent Director.
- 1.5 Your re-appointment at the end of the term shall be based on the recommendations of the Nomination and Remuneration Committee and shall be subject to the approval of the Board and Shareholders of the Company.

2. COMMITTEES

- 2.1 The Board of Directors may invite you for being appointed on one or more existing Board Committees or any such Committee(s) that would be set up in the future. Your appointment on such Committee(s) will be subject to the applicable laws and regulations.
- 2.2 By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.

3. ROLE AND DUTIES:

- 3.1 As a member of the Board, your role, duties and responsibilities will be those normally required of an Independent Director under the Companies Act.
- 3.2 In terms of Section 166 of the Companies Act, 2013, you shall:-
 - (a) Act in accordance with the Company's Articles of Association.
 - (b) Act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interest of the Company, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment.
 - (c) Exercise your duties with due and reasonable care, skill and diligence.
 - (d) Not involve yourself in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
 - (e) Not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
 - (f) Not assign your office as Director and any assignments so made shall be void.

3.3 You shall also abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Companies Act, 2013, and duties of directors as provided in the said Act. For your ready reference, the relevant provisions have been extracted and attached to this letter as **Annexure A**.

4. REMUNERATION

- 4.1 You will be paid sitting fees for attending the meetings of the Board and its Committees as may be decided by the Board and/or approved by the Shareholders from time to time
- 4.2 In addition to the above, the Company will, for the period of your appointment, reimburse you for travel, hotel and other incidental expenses incurred by you in the performance of your role and duties.

5. CODE OF CONDUCT & OTHER COMPLIANCES

- 5.1 During the appointment, you will comply with any relevant regulations as may be issued by the Government of India and such other authorized bodies as set up by the Government on its behalf, including the Code for Independent Directors, Code of Conduct and Ethics for Directors and Senior Executives and such other requirements as the Board of Directors may from time to time specify.
- 5.2 At the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect your status as an independent director, you shall give a declaration to that effect confirming that you meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 in the format as per Annexure B to this Letter.

6. CONFLICT OF INTEREST

- 6.1 It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to your appointment commencing, you are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment.
- 6.2 In the event that your circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgement that you are independent, this should be disclosed to both the Chairman and the Secretary.

7. CONFIDENTIALITY

- 7.1 You will have access to confidential information whether or not the information is marked or designated as "confidential" or "proprietary" relating to the Company and its business including legal, financial, technical, commercial, marketing and business related records, data, documents, reports etc. (hereinafter "Confidential Information").
- 7.2 You shall use reasonable efforts to keep confidential and not to disclose to any third party such Confidential Information.

- 7.3 If any Confidential Information is required to be disclosed by you in response to any summons or in connection with any litigation, or in order to comply with any applicable law, order, regulation, or ruling then any such disclosure should be to the extent possible, with the prior consent of the Board of the Company.
- 7.4 You should avoid making any statements or performing any transactions that might risk a breach of Code of Conduct of the Company without prior clearance from the Chairman.

8. EVALUATION

- 8.1 The Nomination and Remuneration Committee shall carry out evaluation of your performance based on the criteria determined by the Committee. Your appointment and re appointment on the Board shall be subject to the outcome of the evaluation process.

9. INSURANCE

- 9.1 The Company maintains a Directors' and Officers' liability insurance Policy to pay for the personal liability of the Directors and officers for the claims made against them while serving the Company. A copy of the same shall be provided to you.

10. DISCLOSURE OF INTEREST

- 10.1 You shall disclose material interest that in any transaction or arrangement that the Company has entered into. Such interest should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record your interest appropriately and the records are updated. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.

11. TERMINATION

- 11.1 You may resign from your position at any time by giving a notice in writing to the Company stating the reasons for resignation. The resignation shall take effect from the date on which the notice is received by the Company or date if any specified in the notice whichever is later.
- 11.2 Your appointment may also be terminated in accordance with the provisions of law.

12. GOVERNING LAW

- 12.1 This letter of appointment is governed by and will be interpreted in accordance with Indian law and your engagement shall be subject to the jurisdiction of the Delhi courts, India.

This letter constitutes neither a contract for services nor a service contract.

Please confirm your agreement to the terms of appointment relating to your appointment as an Independent Director of the Company by signing and returning to us the enclosed copy of this letter.



Yours sincerely,
For Delhi Duty Free Services Private Limited

(Director) DIN:

AGREE AND ACCEPT

I have read and understood the terms of my appointment as an Independent Director of the Company and I hereby affirm my acceptance to the same.

Signature

Name:

Place:

Date:

Annexure A

CODE FOR INDEPENDENT DIRECTORS

(AS PER SCHEDULE IV TO THE COMPANIES ACT, 2013)

The Code is a guide to professional conduct for Independent Directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of Independent Directors.

I. GUIDELINES OF PROFESSIONAL CONDUCT:

An Independent Director shall:

- Uphold ethical standards of integrity and probity
- Act objectively and constructively while exercising his duties
- Exercise his responsibilities in a bona fide manner in the interest of the company
- Devote sufficient time and attention to his professional obligations for informed and balanced decision making
- 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
- 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.
- Refrain from any action that would lead to loss of his independence
- Where circumstances arise which make an Independent Director lose his independence, the Independent Director must immediately inform the Board accordingly
- Assist the Company in implementing the best corporate governance practices.

II. ROLE AND FUNCTIONS:

The Independent Directors shall:

- 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
- Bring an objective view in the evaluation of the performance of Board and management
- Scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance
- Satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible

- Safeguard the interests of all stakeholders, particularly the minority shareholders
- Balance the conflicting interest of the stakeholders
- 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
- Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

III. DUTIES:

An Independent Director shall:

- Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company
- 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
- Strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member
- Participate constructively and actively in the committees of the Board in which they are chairpersons or members
- Strive to attend the general meetings of the Company
- 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
- Keep themselves well informed about the Company and the external environment in which it operates
- Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board
- 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
- 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
- Report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy
- Acting within his authority, assist in protecting the legitimate interests of the Company, Shareholders and its employees
- 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.

IV. MANNER OF APPOINTMENT:

- 1. Appointment process of Independent Directors shall be independent of the Company management;** while selecting Independent Directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- 2. The appointment of Independent Director(s) of the Company shall be approved at the meeting of the Shareholders.**
- 3. The explanatory statement attached to the notice of the meeting for approving the appointment of Independent Director shall include a statement that in the opinion of the Board, the Independent Director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed Director is independent of the management.**
- 4. The appointment of Independent Directors shall be formalised through a letter of appointment, which shall set out.**

The term of appointment:

- The expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks
 - The fiduciary duties that come with such an appointment along with accompanying liabilities
 - Provision for Directors and Officers (D and O) insurance, if any;
 - The Code of Business Ethics that the Company expects its directors and employees to follow
 - The list of actions that a director should not do while functioning as such in the Company
 - And the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- 5. The terms and conditions of appointment of Independent Directors shall be open for inspection at the registered office of the Company by any member during normal business hours.**
 - 6. The terms and conditions of appointment of Independent Directors shall also be posted on the Company's website.**

V. RE-APPOINTMENT:

- The re-appointment of Independent Director shall be on the basis of report of performance evaluation.

VI. RESIGNATION OR REMOVAL:

- The resignation or removal of an Independent Director shall be in the same manner as is provided in sections 168 and 169 of the Act.

- An Independent Director who resigns or is removed from the Board of the Company shall be replaced by a new Independent Director within a period of not more than three (3 months) from the date of such resignation or removal, as the case may be.
- Where the Company fulfils the requirement of Independent Directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new Independent Director shall not apply.

VII. SEPARATE MEETINGS:

- The Independent Directors of the Company shall hold at least one meeting in a financial year, without the attendance of non-independent directors and members of management
- All the Independent Directors of the Company shall strive to be present at such meeting

The meeting shall

- 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 views of executive directors and non-executive Directors
- Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

VIII. EVALUATION MECHANISM:

- The performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.
- On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director.

Date: _____

To,
The Board of Directors,
Delhi Duty Free Services Private India Limited

Dear Sirs,

Subject:

Affirmation on Compliance of Code of Conduct provisions as specified in schedule IV of the Companies Act, 2013.

I, _____, hereby confirm that I will comply with the code of conduct provisions as specified in Schedule IV of the Companies Act, 2013 for the financial year ended _____.

Thanking You

Yours Sincerely,

Name: _____

Designation: Independent Director

DIN: _____

Annexure B

Date:

To,

The Board of Directors

Delhi Duty Free Services Private India Limited

Building No. 301, Ground Floor, Opp. T-3, IGI Airport,

New Delhi-110037, India.

Dear Sirs,

Re: Declaration of independence by Independent Director.

I hereby certify that I am holding the position on the Board of Delhi Duty Free Services Private Limited as an Independent Director.

I further certify that I meet all the requirements specified under sub section (6) of Section 149 of Companies Act, 2013 for holding the position of Independent Director.

- a. I am/was not a promoter of the Company or its holding, subsidiary or associate company.
- b. I am not related to the promoters or Directors in the Company, its holding, subsidiary or associate Company.
- c. I did not have any pecuniary relationship with the Company, its holding, subsidiary or associate company, or their promoters or Directors during the two immediately preceding financial years or during the current financial year.
- d. None of my relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company or their promoters, or Directors amounting to 2% or more of its gross turnover or total income or fifty lakhs whichever is lower during the two immediately preceding financial years or during the current financial year.
- e. I, neither by myself nor any of my relatives:
 - (i) Holds or had held the position of a key managerial personnel or is or has been an employee of the Company or its holding, subsidiary or associate Company in any of the three financial years immediately preceding 2014-15.
 - (ii) Am or have been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year 2014-15, of
 - (a) A firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company or
 - (b) Any legal or consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to ten percent or more of the gross turnover of such firm.
 - (iii) Holds together with my relatives two percent or more the total voting power of the Company; or
 - (iv) Is a Chief Executive or Director, by whatever name called, of any non-profit organization that receives twenty-five percent or more of the receipts from the Company, any of its promoters, Directors or its holding, subsidiary or associate Company or that hold two percent or more of the total voting power of the Company.
 - (v) Is a material supplier, service provider or customer or a lessor or lessee of the Company.
- f. I am not less than 21 years of age.

I undertake to keep the Board informed immediately about any change in the circumstances which may affect my status of independence as per Section 149(6) of the Act.

SignatureName: _____

Designation:

Independent Director

DIN: _____