

LEELA PALACES HOTELS & RESORTS LIMITED

(formerly known as Schloss Bangalore Limited)
(formerly known as Schloss Bangalore Private Limited)

Registered Office: The Leela Palace, Diplomatic Enclave, Africa Avenue, Netaji Nagar New Delhi South Delhi 110023
Tel No. +91 (11) 39331234 Email Id: cs@theleela.com CIN: L55209DL2019PLC347492 Website: www.theleela.com

SAMPLE LETTER FOR APPOINTMENT OF INDEPENDENT DIRECTORS

Date: []

To,
[•]

I am pleased to inform you that based on your confirmation that you meet the criteria of "Independence" as provided under the Section 149(6) of the Companies Act, 2013 (the "Act") and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), and upon the recommendation of the Board of Directors (the "Board") and the approval of the shareholders of Leela Palaces Hotels & Resorts Limited (formerly known as Schloss Bangalore Limited) (formerly known as Schloss Bangalore Private Limited) (the "Company"), you are hereby appointed as an "Independent Director" on the Board of the Company. This letter sets out the terms and conditions of your appointment.

1. Terms of Appointment

Subject to the terms of this letter and applicable laws, you will serve as an Independent Director of the Board for a period of 5 years from the date of your appointment by Board i.e. from [•] to [•].

As an Independent Director, you will not be liable to retire by rotation.

Your re-appointment at the end of the first term shall be based on the recommendation of the Nomination & Remuneration Committee and subject to the approval of the Board and the shareholders. Your reappointment would be considered based on the outcome of the performance evaluation process and you continuing to meet the independence criteria.

2. Board and Committees of the Board

The Board may, if it deems fit, invite you for being appointed on one or more existing Board Committees or any such Committee that is set up in the future. Your appointment on such Committee(s) will be subject to the applicable provisions of the Act and SEBI LODR.

You will be expected to attend the meetings of the Board and its Committees to which you may be appointed and shareholders' meetings and to devote such time to your duties in commensurate with your role to discharge your fiduciary duties as an independent director of the Company effectively.

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. Duties and Responsibilities

As an Independent Director, it is expected that you shall bring independence of view to the Board's discussions and help the board to exercise their best judgement to all Business decisions. You shall also assist the Board with valuable guidance in relation to the Company's plan and policy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance.

Your role and duties will be those as required under the Act and more particularly stated in Schedule IV of the Act, and as per the provisions of the SEBI LODR and the Company's articles of association, in each case, as may be amended from time to time.

You shall abide by the 'Code for Independent Directors' as outlined in Schedule IV of the Act, applicable policies of the Company regarding code of conduct or code of ethics of directors of the Company, as adopted by the Board from time to time and duties of directors as provided in the Act (including Section 166) and in SEBI LODR.

In addition, and without prejudice to the generality of the above, your duties will include:

- a) You shall 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.
- b) You shall discharge your duties with due and reasonable care, skill and diligence.

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- c) You shall 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.
- d) You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
- e) You shall not assign your office as Director and any assignments so made shall be void.

4. Conflict of Interest

It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to your appointment, you are required to declare any such directorships, appointments and interests to the Board in writing and to the company secretary, in the prescribed form at the time of your appointment.

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 judgment that you are independent, this should be promptly disclosed to the company secretary and/or any other person specifically identified for this purpose in the Company's policy. By signing this letter, you hereby confirm that as on date of this letter, you have no such conflict-of-interest issues with your existing directorships.

During your term as an Independent Director, you agree to promptly provide a declaration under Section 149(7) of the Act and Regulation 25(8) of SEBI LODR confirming that you meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI LODR and that you are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact your ability to discharge your duties with an objective independent judgment and without any external influence. This declaration shall be submitted 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.

5. Provision of Directors' & Officers' Insurance

The Company has Directors' and Officers' Insurance, and it is intended that the Company will assume and maintain such cover for the full term of your appointment subject to the terms of such policy in force from time to time.

6. Code of Business Conduct & Ethics

You shall abide by the regulations as contained in Schedule IV under Act and any other policies of the Company regarding code of conduct or code of ethics of directors of the Company. The guidelines of professional conduct, role, functions and duties of independent directors as set out in Schedule IV of the Act, as on date, are set out in **Annexure A** of this letter.

7. Remuneration

- a) As an Independent Director, you shall be paid sitting fees for attending the meeting of the Board of Directors and/or Committees thereof. The present sitting fees as determined by the Board is as follows:-
 - i. Board Meeting: Rs. [•]/-
 - ii. Other Committee Meetings: Rs. [•]/-
- b) In addition to the remuneration described 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.
- c) The Directors are also paid a commission on an annual basis as may be determined by the Board for your overall engagement and contribution for the Company's business.
- d) The sitting fees are subject to approval by the Board/shareholders of the Company (as may be required under the Act and the articles of association of the Company, from time to time). The sitting fee or other remuneration to be paid to you (commission, if any) shall at all times be subject to the remuneration policy of the Company (as applicable to directors) and changes therein, approved by the Board from time to time.
- e) You will have no entitlement to any bonus during the appointment and no entitlement to participate in any employee stock option scheme operated by the Company or any group company, if any.

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8. Confidentiality

As an Independent Director, you must apply the highest standard of confidentiality and not disclose to any person or company (whether during the course of appointment or following cessation) any confidential information concerning the Company, which you may have acquired in the course of your role as Independent Director.

You shall not disclose or release any confidential information, which you may acquire or come across during your appointment to any third parties, either during your appointment or following cessation (by whatever means) without prior clearance from the Chairman unless the same is required by law or by the rules of any stock exchange or regulatory authorities.

9. Performance Evaluation

The Company has adopted a policy on Board Evaluation. The policy provides for evaluation of the Board, the Committees of the Board and individual Directors, including the Chairman of the Board. As per the Policy, the Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors. Your appointment and re appointment on the Board shall subject to the outcome of the evaluation process.

10. Disclosure of Concern/Interest

The Company is required to disclose in its Annual Report, a note of any material interest that a Director may have 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 our records are updated. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.

11. Termination

- a) You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice on the Board.
- b) Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013, SEBI LODR and the Articles of Association of the Company, from time to time in force. You will not be entitled to compensation if the shareholders do not re-elect you at any time.
- c) Your appointment may also be terminated in accordance with the applicable provisions of the law.

Upon cessation of your directorship or upon your resignation for any reason duly intimated to the Company, you will not be entitled to any compensation for loss of office.

12. General

This appointment letter is governed by and will be interpreted in accordance with law of India and the courts in Mumbai shall have exclusive jurisdiction.

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

Please confirm your acceptance of the terms above, by dating and signing the letter and returning a copy to us.

For and on behalf of
Leela Palaces Hotels & Resorts Limited
(formerly known as Schloss Bangalore Limited)
(formerly known as Schloss Bangalore Private Limited)

I have read and agree to the above terms regarding my appointment as an Independent Director of Leela Palaces Hotels & Resorts Limited (formerly known as Schloss Bangalore Limited) (formerly known as Schloss Bangalore Private Limited).

Name:
DIN:
Date:

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Annexure A: Extracts of Schedule IV of the Companies Act, 2013

I. 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 a 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.

II. Role and functions:

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 board and management;
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.

III. Duties:

An 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 they are chairpersons or members;
5. strive to attend the general meetings 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;

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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 behaviour, 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 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.