

## Terms and conditions of Appointment of an Independent Director

To

Mr / Ms. ....  
Independent Director

Dear Sir / Mam

Sub: Appointment as an Independent Director of Lotte India Corporation Limited

On behalf of the Board of Directors of the Company, I take immense pleasure to inform you that the Board at its meeting held on ..... had appointed / reappointed you as an Independent Director for a period of .... years from ..... to ..... subject to the approval of Shareholders.

Your appointment and other terms and conditions are subject to Company policy, Articles of Association of the Company, the relevant and applicable provisions of the Act read with Schedule IV of the Act and Rules made there under from time to time and as in force.

### **TERMS AND CONDITIONS:**

#### **APPOINTMENT:**

- a) The appointment is for a consecutive term of ....years commencing from .....till ..... on non- rotational basis unless otherwise determined earlier by either side in terms of Section 168 (resignation of director) or Section 169 (removal of directors) of the Act as applicable. Any re-appointment shall be on the basis of report of performance evaluation presented by the other Directors on the Board and subject to provisions of Companies Act, 2013 and rules & regulations in force.
- b) You shall abide by the Code for Independent Directors as detailed in Schedule IV of the Act, a copy of which is enclosed Annexure "A"

: 2 :

- c) The Board expects your valuable contribution and attention towards the business affairs of the Company by participating actively in;
- all meetings of the Board;
  - Committee(s) in which you are a member or Chairperson;
  - General meetings of the Company; and
  - Annual Meeting of the Independent Directors.

**ROLE:**

- a) In addition to the role specified under Schedule IV of the Act, you are expected to bring an independent judgment to the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- b) You are further expected to provide an objective view in the evaluation of performance of Board and Management and further scrutinize the performance of Management in meeting agreed goals and objectives.

**DUTIES:**

- a) You shall adhere to the below mentioned Duties as specified under Section 166 of the Act in addition to the duties mandated under Schedule IV of the Act:
- i. Subject to the provisions of this Act, you shall act in accordance with the Articles of Association of the Company.
  - ii. 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 interests of the Company, its employees, the shareholders, the community and for the protection of environment.
  - iii. You shall exercise your duties with due and reasonable care, skill and diligence and shall exercise independent judgment.

: 3 :

- iv. 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.
  - v. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners, or associates and if found guilty of making any undue gain, you shall be liable to pay an amount equal to that gain to the Company.
  - vi. You shall not assign your office and any assignment so made shall be void.
- b) In addition to the above, you shall abide by the Code of Conduct devised by the Company for the Board and Senior Management.

**LIABILITIES:**

As an Independent Director of the Company you shall have the same responsibility like any other Director on the Board. However you shall be held liable, in respect of such acts of omission or commission of the Company which had occurred with your knowledge, attributable through Board processes, and with your consent or connivance or where you had not acted diligently.

**FEES/ COMMISSION/REIMBURSEMENT OF EXPENSES:**

- a) Subject to the provisions of the Act and Articles of Association of the Company, you will be paid Sitting fee of Rs. .... for attending every meeting of the Board as a Director and Rs..... for every Meeting of the Committee as a Member. The Sitting fee payable shall be amended by the Board from time to time as it may deem appropriate.
- b) You shall be paid travelling and other out of pocket expenses incurred in attending and returning from meetings of the Board of Directors or of any Committee thereof or in connection with the business of the Company. You are required to submit details of expenses together with appropriate receipts so incurred to the Company Secretary.

...4

: 4 :

- c) In addition to the above, if the Board of Directors decides to pay commission, you may be paid such Commission, subject to review of your performance and the approval of the shareholders as and when required, provided it is within the overall limits as specified in Section 197 of the Act and its related and applicable rules as in force from time to time.
- d) You shall not be entitled to any Stock Options that may be issued by the Company in future.
- e) During your tenure of appointment as an Independent Director, the Company may seek your professional advice/ service if required on certain issues whenever appropriate, at the Company's expense.

**INSURANCE:**

The Company will use its best endeavors to maintain appropriate Directors' and Officers' (D&O) liability insurance during your tenure as an Independent Director of the Company.

**OTHER COMPLIANCES:**

- a) You are requested to maintain the limits of Directorship/ Committee membership/and Chairmanship as required under Section 165 of the Act read with the applicable rules made there under. Further you shall inform the Company about appointment/cessation of Directorship / committee membership in the requisite format.
- b) You shall give the following declarations in every financial year or whenever there is any change in the circumstances :
  - i. List of relatives
  - ii. Affirmation of code of conduct of the Company and code of conduct as enumerated in Schedule – IV of the Act.
  - iii. That you meet the criteria of independence as provided in sub-section 6 of Section 149 of the Act.

...5

: 5 :

- iv. Disclosure of interest to the Company as required under Section 184 and 164 (2) of the Act as well as avoid any conflicts.
  - v. Declaration regarding Committee Memberships.
- c) You shall be required to attend the Annual meeting of Independent Directors and discuss the agenda as provided in Schedule IV of the Act.
  - d) During your tenure with the Company in case you get disqualified as provided in Section 164 (1) of the Act, you are requested to intimate the Company.
  - e) You are also requested to ensure that the conditions as prescribed under Section 167 of the Act (vacation of office of director) are not attracted resulting in vacation of your office.

**CONFIDENTIALITY:**

All information acquired during your tenure is confidential to the Company and should not be released, communicated, nor disclosed either during your tenure or thereafter to third parties without prior clearance from the Board of Directors of the Company.

**REVIEW PROCESS:**

Your performance as an Independent Director will be evaluated by the Board of Directors as per the evaluation criteria laid down by the Nomination and Remuneration Committee of the Company.

**PUBLICATION OF LETTER OF APPOINTMENT:**

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.

: 6:

In terms of Schedule IV of the Act, the terms and conditions of your appointment will be displayed on the Company's website [www.lotteindia.com](http://www.lotteindia.com).

Please confirm your agreement to the above terms and conditions by signing and returning to me the enclosed duplicate of this Letter.

Yours faithfully,  
For Lotte India Corporation Limited

Chairman / Managing Director

Accepted – Independent Director