

Appointment as the Independent Director of Appu Hotels Limited

We are pleased to advise you that at the Annual General Meeting held on 30th September 2014 shareholders have approved your appointment as an Independent Director of the Company to hold office for five Consecutive years from 30.09.2014 upto 29.09.2019.

A . Preliminary

Your appointment is subject to the following:

1. 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 ("Act") stating that you meet the criteria of Independence.
2. So long as you are an Independent Director of the Company, the number of companies in which you hold office as a Director or a Chairman or committee member will not exceed the limit stipulated under the Act.
3. So long as you are an Independent Director of the Company, you will ensure that you do not get disqualified to act as a Director pursuant to the provisions of Section 164 of the Companies Act.2013.
4. You will ensure compliance with other provisions of the Act as applicable to you as an Independent Director.

B. Term

1. Your Appointment is for a term of 5 years commencing from 30.09.2014
2. In Compliance with provisions of Section 149 (13) of the Companies Act 2013, your directorship is not subject to retirement by rotation.

C. Code of Conduct and Duties and Responsibilities

1. You will abide by the Appu Hotels Limited Code of Ethics and Business Principles applicable to Non- Executive Directors and business principles to the extent applicable to an Independent Director of the Company as set out separately in Annexure – I

2. Role and Duties

Your role and duties will be those normally, required of a non-executive Independent Director under the Companies Act, 2013. There are certain duties prescribed for all Directors, both Executive and Non-Executive which are fiduciary in nature and are as under:

- I. You shall act in accordance with the Company's Articles of Association as may be amended from time to time.

- 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 interest of the Company.
- III. You will discharge your duties with due and reasonable amended from time to time.
- 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.

In addition to the above requirements the Board of Directors also expect you to perform the following functions.

- I. You should constructively challenge and help develop proposals or strategy for growth of the Company.
 - II. You should evaluate the performance of management in meeting agreed goals and objectives.
 - III. You should satisfy yourself on the integrity of financial information.
 - IV. You are responsible for assisting the Board in determining appropriate levels of remuneration of Executive Directors and have a prime role in appointing and where necessary, removing Executive Directors and in succession planning.
 - V. You will take responsibility for the process for accurately responding on performance and the financial position of the Company.
 - VI. You should keep governance and compliance with the applicable legislation and regulations under review and the conformity of Company's practices to accepted norms.
3. You will also abide by the guidelines of professional conduct, role, function and duties as an Independent director provided in Schedule IV of the Companies Act, 2013, as set out at Annexure – 2 hereto.
 4. You are expected to stay updated on how best to discharge your roles, responsibilities and duties and liabilities, as an Independent Director of the Company under applicable law, including keeping abreast of current changes and trends in economic, political, social, financial, legal and corporate governance practices.
 5. You are expected to:
 - I. Take decisions objectively and solely in the interests of the Company.
 - II. Facilitate Company's adherence to high standards of ethics and corporate behavior;
 - III. Guide the Board in monitoring the effectiveness of the Company's governance practices and to recommend changes, required if any;
 - IV. Guide the Board in monitoring and managing potential conflicts of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.

Conflict of Interest

6. 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 interest to the Board in writing in the prescribed form at the time of your appointment.

7. In the event that your circumstances seem likely to change and might give rise to a conflict or interest or, when applicable, circumstances that might lead the Board to revise its judgment that you are independent, this should be disclosed to both the Chairman and the Company Secretary.

D. Performance Evaluation

8. Your reappointment or extension of term and your remuneration will be recommended by the Nomination and Remuneration Committee of the Board, pursuant to a performance evaluation carried out by the Board.

F. Remuneration

1. Your remuneration will be as under:

Sitting fees for attending each meeting of the Board and its Committees as may be determined by the Board from time to time. The Sitting fees presently paid to Non-Executive Directors is Rs.5000/- per meeting.

2. You will be entitled to reimbursement of expenses incurred by you in connection with attending the Board meetings, Board Committee meetings, general meetings and in relation to the business of the Company towards hotel accommodation, travelling and other out-of-pocket expenses.
3. You will however not be entitled to any stock options or to any bonus as per present law.

G. Miscellaneous

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. client information, intellectual property rights (including trade secrets), ("**Confidential Information**").
2. You shall use reasonable efforts to keep confidential and to not disclose to any third party, such Confidential Information.
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.
4. Publication of the letter of appointment

In line with the provisions of Clause IV sub-clause 6 of Schedule IV, under companies Act 2013, the Company will make public the terms and conditions of your appointment and will also arrange for it to be displayed on the Company's website.

Please confirm your acceptance by signing, dating and returning a copy of this letter to the Company.

Yours faithfully

For APPU HOTELS LIMITED

(Dr. Palani G Periasamy)

Chairman of the Board of Directors

Agreed and Accepted

Independent Director (NAME)

DIN NO.

Date: