

HUBTOWN

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September 26, 2014

Mr. Sunil C. Shah
14 D, Lands End
29 Doongersi Road,
Mumbai 400 006

Dear Mr. Shah,

Sub : **Appointment as an Independent Director under the Companies Act, 2013**

We are pleased to inform you that the shareholders of the Company have, at the Twenty Sixth Annual General Meeting held on September 25, 2014, passed the resolution for your appointment as an Independent Director on the Board of the Company pursuant to the provisions of the Companies Act, 2013 (the Act).

As per the requirements of the Act, the aforesaid appointment is being formalized through this letter of appointment. This letter sets out the terms of your appointment as an Independent Director. Your relationship with the Company will be that of a contract for service and not a contract of employment in the Company.

The terms of your appointment, as set out in this letter, are subject to the extant provisions of the (i) applicable laws, including Companies Act, 2013 and Clause 49 of the Listing Agreement (as amended from time to time; and (ii) the Articles of Association of the Company ('AOA').

1. Appointment

Your appointment will be for an initial term of five years upto **September 25, 2019** unless terminated earlier or extended, as per the provisions of this letter or applicable laws ('Term').

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

The Company has adopted the provisions with respect to the appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the Listing Agreement. Accordingly, the Independent Directors will not serve for more than two terms of five years each on the Board of the Company.

Reappointment for another term of maximum period of five years at the end of the current term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the shareholders by way of a special resolution.

Your reappointment would be considered by the Board based on the outcome of the performance evaluation process and you continuing to meet the independence criteria.

2. Duties and Liabilities

The laws that currently govern the duties and liabilities of an Independent Director are the Companies Act, 2013 (including the Rules thereunder) and the Listing Agreement with the Stock Exchanges. You shall abide by the Code for Independent Directors as outlined in Schedule IV to Section 149 (8) of the Act [Annexure – I] and duties of directors as provided in Section 166 of the Act [Annexure – II] and in Clause 49 of the Listing Agreement [Annexure – III].



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3. Committees of the Board :

As per the Board's current assessment, you will be a member of the following committees :

1. Audit and Compliance Committee – Member
2. Nomination and Remuneration Committee – Member
3. Stakeholders' Relationship Committee – Member
4. Corporate Social Responsibility Committee – Member

The terms of reference of the aforesaid Committees are provided at Annexures V, VI, VII and VIII respectively to this letter. The Board may reconstitute the composition of all/any Committees, from time to time, and any such change shall be promptly communicated to you. In such an event you may also be required to serve on other Committees of the Board.

4. Time Commitment

As an Independent Director you are expected to bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective leadership in relation to the Company's strategy, performance and risk management as well as ensuring high standards of financial probity and corporate governance. The Board generally meets four times a year. You will be expected to attend the Board and Committee meetings to which you may be appointed and shareholders meeting and to devote such time as is prudent and necessary for the proper performance of your role, duties and responsibilities as an Independent Director.

5. Remuneration

As an Independent Director, you shall be paid sitting fees for attending the meetings of the Board and the Committees of which you are a member as fixed by the Board from time to time.

The sitting fees payable to you are as follows :

- Board – Rs. 20,000 per meeting
- Committee – Rs. 20,000 per meeting

In addition to the sitting fees, profit related commission may also be payable to you as may be decided by the Nomination and Remuneration Committee / the Board of Directors of the Company.

The remuneration and fees payable shall be subject to applicable tax deduction at source.

Further, the Company may reimburse to you such fair and reasonable expenditure, as may have been incurred by you while performing your role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by you for attending Board/Committee Meetings, Annual General Meetings, Extraordinary General Meetings, court convened meetings, meetings with shareholders/creditors/management, induction and training (organized by the Company for directors) and in obtaining, subject to prior consultation with the Board, professional advice from independent advisors in the furtherance of your duties as an Independent Director.

6. Insurance

The Company will take an appropriate Directors' and Officers' Liability insurance policy and pay the premiums for the same. It is intended to maintain such insurance cover for the entire term of your appointment, subject to the terms of such policy in force from time to time. A copy of the policy document will be supplied on request.



7. Hubtown Code of Conduct

As an Independent Director, you agree to comply with Hubtown Code of Business Conduct and Ethics for Directors and Senior Management.

Unless specifically authorised by the Company, you shall not disclose company and business information to the public constituencies such as the media, the financial community, employees, shareholders, and other stakeholders.

Your obligation of confidentiality shall survive termination or cessation of your directorship with the Company.

We would also like to draw your attention to the applicability of both, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, and the Hubtown Code of Conduct for Prevention of Insider Trading, which prohibits disclosure or use of undisclosed price sensitive information.

Additionally, you shall not participate in any business activity which might impede the application of your independent judgment in the best interest of the Company.

8. Induction and development

The Company shall, if required, conduct formal induction program for its Independent Directors which may include all or any of the following:

- i. Board roles and responsibilities;
- ii. Company's vision, strategic direction, core values, and corporate governance practices;
- iii. Familiarization with financial matters, management team and business operations;
- iv. Meetings with stakeholders and senior and middle management.

The Company shall, as may be required, support Directors to continually update their skills and knowledge and improve their familiarity with the Company and its business. The Company will fund/arrange for training on all matters which are common to the whole Board.

9. Performance Evaluation / Evaluation Process

As a member of the Board, your performance as well as the performance of the entire Board and its Committee shall be evaluated annually. Evaluation of each director shall be done by all other directors. The criteria for evaluation shall be determined by the Nominations and Remuneration Committee and disclosed in the Annual Report. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board/Committee.

10. Disclosures, other directorships, and business interests

During the Term, you are required to give a declaration in the prescribed format [Annexure – IV] that you meet the criteria of 'independence' in every financial year as provided in Section 149 (7) of the Act.

You agree to promptly notify the Company of any change in your directorships and provide such other disclosures and information as may be required under the applicable laws. You also agree that on becoming aware of any potential conflict of interest with your position as an Independent Director, you shall promptly disclose the same to the Chairman or the Company Secretary. Please confirm that as on the date of this Letter, you have no such conflict of interest issues with your existing directorships.



A handwritten signature or mark, possibly a stylized letter 'D' or a similar symbol.

11. Confidentiality

All information to which you may access during your tenure shall be kept confidential and shall not be disclosed to third parties either during your tenure or on cessation thereof without prior clearance from either the Chairman or the Managing Director unless required by law or by the rules of any stock exchange or regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by the Company.

12. Changes in personal details

During your Term, you shall promptly intimate the Company and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

13. Membership of Other Boards

It is expected that you will not serve on the Board of competing companies.

14. Termination

Your Directorship on the Board of the Company shall terminate or cease in accordance with law.

You may resign from the directorship of the Company by giving a notice in writing to the Company stating reasons for resignation and also to the Registrar of Companies. The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by you in the notice, whichever is later.

If at any stage during your Term, there is any change that may affect your status as an Independent Director as envisaged in Section 149 (6) of the Act, or, if applicable, if you fail to meet the criteria for 'independence' under the provisions of Clause 49 of the Listing Agreement or on occurrence of any event as defined in Section 167 of the Act, you agree to promptly submit your resignation to the Company with effect from the date of such change. Upon termination or upon your resignation for any reason, duly intimated to the Company, you will not be entitled to any compensation for loss of office.

15. Co-operation

In the event of any claim or litigation against the Company based upon any alleged conduct, act or omission, on your part during your Term, you agree to render all reasonable assistance and co-operation to the Company and provide such information and documents as are necessary and reasonable requested by the Company or its counsel.

16. Miscellaneous

- This letter represents the entire understanding, and constitutes the whole agreement in relation to your appointment and without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom.
- No waiver or modification of this letter shall be valid unless made in writing and signed by you and the Company.
- As per the provisions of the Act, Clause 49 of the Listing Agreement, and Schedule IV to the Act, this letter alongwith your detailed profile shall be disclosed on the website of the Company and the listed stock exchanges.



A handwritten signature, possibly of the same person as the one on the stamp, written in dark ink.

17. Governing Law


This Letter and any non-contractual obligations arising out of or in connection with this Letter are governed by and shall be interpreted in accordance with the laws of India and shall be subject to the exclusive jurisdiction of the Courts of India.

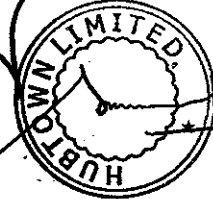
18. Acceptance of Appointment

We are confident that the Board and the Company will immensely benefit from your mature advice and guidance and we are eager to have you as an integral part of the growth of our Company. If these terms of appointment are acceptable to you, please confirm your acceptance by signing and returning the enclosed copy of this letter.

We thank you for your support and commitment to the Company.

Yours sincerely,
For Hubtown Limited


Hemant M. Shah
Executive Chairman
DIN : 00009659



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 : **Sunil C. Shah**
Independent Director
[DIN : 06947244]

Date : *September 26, 2014* Place : Mumbai