

(Date)

Name & Address of Independent Director.

Dear

**Sub: Appointment as an Independent Director of Shoppers Stop Limited**

We are glad to inform you that upon recommendation of the Nomination Remuneration & Corporate Governance Committee, the Board of Directors (‘the Board’) and members of Shoppers Stop Ltd. (‘the Company’) has, in terms of the provisions of Section 149(6) read with Schedule IV to the Companies Act, 2013, (‘the Act’) and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, (‘Listing Regulations’) approved your appointment as Non-Executive & Independent Director of the Company.

The terms and conditions governing your appointment as Independent Director of the Company are mentioned herein and enclosed as Annexure I and II:

1. **Preliminary**

We have received and taken on record:

1. your DIN and profile of your qualifications and experience;
2. your consent to act as a Director of the Company in accordance with the Act and the rules made thereunder;
3. your disclosures about the directorships and the membership in the committees of other companies;
4. your declaration, that you have not been debarred or disqualified from being appointed / re-appointed or continuing as director of the Company by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority;
5. your declaration that you are not disqualified from being a director under the provisions of the Act;
6. your declaration under the provisions of Section 184 of the Act about your concerns or interests in any other company or companies or bodies corporate, firms or other associations of individuals;
7. your declaration that the number of companies in which you hold office as a Director (including Independent Director) or a Chairperson or Committee member, does not exceed the limits prescribed by the Act and the Listing Regulations;
8. your declaration that you meet the criteria of independence as prescribed under Section 149(6) of the Act and under Regulation 16 of the Listing Regulations and as set out as **Annexure - I** hereto.
9. **Tenure of appointment**

As an Independent Director, you will not be liable to retire by rotation and your appointment as an Independent Director on the Board of the Company will be effective from \_\_\_\_\_\_ for a term of \_\_ (\_\_\_) years commencing from \_\_\_\_\_\_\_\_\_\_ to \_\_\_\_\_\_\_\_\_\_\_\_.

Your directorship on the Board of the Company shall terminate or cease or may be terminated in accordance with provisions of applicable laws.

You may resign from the directorship of the Company by giving a notice of atleast seven days in writing to the Company, stating the reasons for resignation.

1. **Miscellaneous**
2. You recognize that you could 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(es) including, without limitation, legal, financial, technical, commercial, marketing and business related records, data, documents, reports, client/ customer information, intellectual property rights (including trade secrets) and any unpublished price sensitive information (“**Confidential Information**”). You undertake to keep confidential and to not disclose to any third party, such Confidential Information. If any Confidential Information is required to be disclosed by you in response to any summons or subpoena 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.
3. This letter and Annexure I and II attached hereto, represents the entire understanding and constitutes the whole agreement, in relation to your appointment and supersedes any previous agreement, if any, between yourself and the Company with respect thereto;

1. No waiver or modification of this letter shall be valid unless made in writing and signed by you and the Company.
2. According to the provisions of the Act and Listing Regulations, this letter along with your detailed profile/ the terms and conditions of your appointment / extract thereof shall be disclosed on the website of the Company.
3. This letter and any dispute or claim arising out of, or in connection with it shall be construed in accordance with and be governed by the laws of India. The courts of Mumbai, India shall have exclusive jurisdiction to entertain and try any disputes arising from and out of or pursuant to the provisions of this letter.
4. This letter shall be signed in duplicate and each of which is an original and all of which, taken together, constitutes one and the same instrument.
5. **Acceptance of Appointment**

We are confident that the Board and the Company will benefit immensely from your rich experience. 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. We welcome you to Shoppers Stop.

Yours faithfully,

**For Shoppers Stop Limited**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**I 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.

(Name of Independent Director)

**Annexure I**

**Criteria of Independence**

You should and continue to meet the following criteria:

1. You are not or have never been a promoter of the Company or its holding, subsidiary or associate company or member of Company’s promoter group.
2. You are not related to promoters or directors of the Company, its holding, subsidiary or associate company.
3. 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.
4. Apart from receiving Directors remuneration, if any, you don’t have or had any pecuniary relationship or having transaction not exceeding 10% of your total income or such amount as may be prescribed, 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;
5. You are not a Non-Independent Director of any other Company on the Board on which any Non- Independent Director of Shoppers Stop Limited is Independent Director.
6. None of your relatives:
7. is holding any security of or interest in the company, its Holding, Subsidiary or Associate company during the two immediately preceding financial years or during the current financial year, of face value not exceeding   
   Rs. 50 lacs or 2% of the paid-up capital of the Company, its Holding, Subsidiary or Associate Company.
8. is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors for an amount of Rs. 50 lacs, at any time during the two immediately preceding financial years or during the current financial year;
9. has given a guarantee or provided any security in connection with the indebtedness of any third person to the Company, its Holding, Subsidiary or Associate Company or their Promoters, or Directors of such Holding company, for an amount of Rs. 50 lacs at any time during the two immediately preceding financial years or during the current financial year;
10. has any other pecuniary transaction or relationship with the Company, or its Subsidiary, or its Holding or Associate Company amounting to 2% or more of its gross turnover or total income singly or in combination with the transactions referred to above sub- clauses (i), (ii) or (iii);
11. Neither you nor any of your relatives:
12. hold or has 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 the current financial year;
13. is a material supplier, service provider or customer or a lessor or lessee of the Company;
14. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the current financial year, of:
    1. A firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company; or
    2. Any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
15. hold together 2% or more of the total voting power of the Company; or
16. is a Chief Executive or director, by whatever name called, of any Non-profit Organisation that receives 25% or more of its receipts or corpus from the Company, any of its Promoters, Directors or its Holding, Subsidiary or Associate company or that holds 2% or more of the total voting power of the Company.

**Annexure II**

**Professional conduct:**

You as an Independent Director shall:

1. Uphold ethical standards of integrity and probity;
2. Act objectively and constructively while exercising your duties;
3. Exercise your responsibilities in a *bona fide* manner in the interest of the Company;
4. Devote sufficient time and attention to your professional obligations for informed and balanced decision making;
5. Not allow any extraneous considerations that will vitiate your 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 your 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;
7. Refrain from any action that would lead to loss of your independence;
8. Where circumstances arise which make you lose your independence, you must immediately inform the Board accordingly;
9. Assist the Company in implementing the best corporate governance practices.

**Role and functions:**

You as an Independent Director shall:

1. Assist 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 & objectives and monitor the reporting of performance;
4. Satisfy yourself 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.

**Duties:**

You as an Independent Director shall:

1. Undertake appropriate induction and regularly update and refresh your 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 you are a member;
4. Participate constructively and actively in the committees of the Board in which you are chairperson(s) or member;
5. Strive to attend the General Meetings of the Company;
6. Where there have been 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 yourself 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 yourself that the same are in the interest of the company;
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 your 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.

**Responsibilities:**

1. As member of the Board, you along with the other Directors will be collectively responsible for meeting the objectives of the Board which *inter alia* include:

* Requirements under the Companies Act, 2013;
* Responsibilities of the Board as prescribed under Listing Regulations; and
* Discharging responsibilities so as to achieve the Company’s strategic and operational objectives.

1. You will not hold office as a director or any other office in a competing firm/entity.
2. You will abide by the Company’s Code of conduct, business ethics and Code for prevention of insider trading in its shares.
3. You will comply with all applicable provisions of the Act and the Listing Regulations.
4. As an Independent Director, your liability will be in respect of such acts of omission or commission by 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.
5. It is recommended that you continue 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 and legal and corporate governance practices.

**Expectations of the Board of Directors:**

As an independent director on the Board of the Company, you shall be expected to:

1. Adhere to the Code of Conduct and business ethics as set out for the directors.
2. 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.
3. Bring an objective view in the evaluation of the performance of the Board and the management of the Board.
4. Scrutinize the performance of the management in meetings agreed goals and objectives and monitor the reporting of the performance.
5. Satisfy yourself on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible.
6. Safeguard the interests of all stakeholders, particularly the minority shareholders;
7. Balance the conflicting interest of the shareholders.
8. 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.
9. Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder’s interest.
10. Refrain from disclosing confidential information, including (without limitation) commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless approved by the Board or required under law.
11. Such other roles as the Board may specify from time to time.

**Committees:**

You may be appointed by the Board of Directors of the Company on any of its Committee(s) of Directors after obtaining your prior consent from time to time.

**Insurance:**

The Company has taken an appropriate Directors and Officer (D&O) Liability Insurance policy and pay premiums for the same. It is intended to maintain such insurance cover for the term of your appointment, subject to the terms of such policy in force from time to time.

**Remuneration:**

1. During your tenure, as a Non-executive & Independent Director of the Company, you shall be paid sitting fees of Rs.1,00,000/- (Rupees One Lac) per meeting, for each meeting of the Board of Directors of the Company, attended by you. Further, you shall also be paid sitting fees, as may be fixed by the Board, for each meeting of the Committees of the Board, where you have been appointed and attended by you. The Board of Directors may revise payment of such sitting fees from time to time.
2. In addition to the sitting fees, profit related commission, as may be recommended by the Remuneration, Nomination & Corporate Governance Committee and approved by the Board of Directors shall also be payable to you, within the parameters as prescribed under the Act and Listing Regulations. Such profit related commission, if payable, shall be paid at the end of each financial year. The aforesaid fees and commission shall be subject to applicable taxes and the Company may withhold there from any amounts as are required to be withheld pursuant to applicable law. Any tax liability arising in respect of payments made to you as aforesaid shall be borne solely by you.
3. All reasonable expenses on transportation and hotel stay, if any, for attending the Board and Committee meetings, if applicable, shall be reimbursed / borne by the Company.

**Performance Appraisal / Evaluation Process:**

As a member of the Board, your performance as well as the performance of the entire Board shall be evaluated annually against Goal Sheet as may be decided by Board from time to time. Evaluation of each Director shall be done by all the other Directors, excluding the director being evaluated. The criteria for evaluations shall be determined by the Nomination, Remuneration & Corporate Governance Committee. However, the actual evaluation shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board.

**Training/ Familiarisation:**

You will be entitled to the benefit of a training/ familiarisation program to familiarize yourself with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the company operates, business model of the company, etc.

**Disclosure of Interest:**

1. During your term as an Independent Director of the Company, you agree to promptly notify the Company of any change in your Directorships and committee membership positions and provide such other disclosures and information as may be required under the applicable laws.
2. During your term as an independent director of the Company, you agree to promptly provide a declaration under Section 149 (7) of the Act and Listing Regulations, upon any change in circumstances which may affect your status as an Independent Director.

**Conflict of Interest:**

As an Independent Director if at any time any of your other business/ engagements are conflicting with the interest of the Company, you will inform the Chairman in writing and get a formal approval of the same.

**Change of personal details:**

If during your term as an independent director of the Company there is any change in your address or other contact and personal details as provided to the Company, you shall promptly intimate the Company Secretary of such change, along with the new address or contact and personal details, with adequate documentary proof, as the case may be.

**Separate Meetings:**

1. You, along with the other 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;
2. You shall strive to be present at such meeting;
3. The meeting shall (a) review the performance of non-independent directors and the Board as a whole; (b) review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors; (c) 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; and (iv) other subject as may be provided under the Act and Listing Regulations from time to time.