



## **LETTER OF APPOINTMENT AS INDEPENDENT DIRECTORS**

**Name of the Independent Director**

**Address**

### **Re: Your appointment as Independent Director**

Dear Sir/Madam,

I am pleased to inform you about our decision to appoint you on the Board of Directors ('the Board') of **Chartered Logistics Limited** ('the Company'). The shareholders of the Company at their annual general meeting held on **(Date of Annual General Meeting)** have appointed you as an Independent Director of the Company. This letter of appointment sets out the terms and conditions covering your appointment which are as follows:

#### **1. Terms of Appointment:**

- a) You are appointed as a Non-Executive Independent Director on the Board of Directors of the Company with effect from **(Date of Annual General Meeting)** for a period of 5 consecutive years.
- b) Your appointment is subject to the provisions of the Companies Act, 2013, the Rules framed there under, listing agreement with the stock exchanges and the Articles of Association of the Company.
- c) The term 'Independent Director' should be construed as defined under the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges.
- d) Your appointment is subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013 and the listing agreement with the Stock Exchanges.
- e) Your appointment shall not be subject to rotation as per the provisions of sub-section (6) of section 152 of the Companies
- f) The Company has adopted the provisions with respect to appointment and tenure of Independent Director which is consistent with the extant provisions of the Companies Act, 2013 and the listing agreement with the Stock Exchanges.
- g) The Board is empowered:
  - i. to make change in the appointment policy from time to time and the revised policy will be informed to you; and
  - ii. to review and change the terms and condition of this Letter and any changes will be informed to you.

#### **2. Committees of the Board:**

- a) The Board has constituted various Committees for efficient discharge of delegated duties and functions which may be assigned from time to time.
- b) The Board may, if it deems fit, invite you for being appointed on one or more existing/future Committees set up by the Board. Your appointment on any such Committee of the Board will be subject to your consent.
- c) Your appointment on such Committee(s) will be subject to the applicable regulations framed and amended from time to time.

#### **3. Attendance in meetings and time Commitment:**

- a) You are expected to attend the meetings of the Board, the Committees of the Board to which you may be appointed and the Shareholders' meetings.



- b) You shall devote sufficient time and attention to your professional obligations for informed and balanced decision.
- c) You shall allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.

#### **4. Role and Duties:**

- a) You shall perform your general fiduciary duties and exercise the skill and care expected of every director.
- b) You do not have any authority to commit the Company in any way nor should you make any statements on behalf of the Company or concerning the Company to the media, financial institutions or anyone associated with the stock market or investor community without the prior authorization of the Board of the Company.
- c) In addition to the functions and duties applicable to every director or the functions and duties of the Board collectively, you, as an Independent Director, have the duties as set out in the Schedule IV of the Companies Act, 2013 and under the applicable provisions of the listing agreement with the Stock Exchanges. The Code for Independent Directors is enclosed herewith as **Annexure 1** to this Letter.
- d) 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 Articles of Association 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.
  - iv. You shall not involve 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.
  - vi. You shall not assign your office and any assignment so made shall be void.

#### **5. Separate Meeting of Independent Directors:**

- a) The independent directors of the Company shall hold at least one meeting in a year, without the attendance of non independent directors and members of the Management of the Company.
- b) All the independent directors of the Company shall strive to be present at such meeting.
- c) Such meeting shall:
  - i. review the performance of non independent directors and the Board as a whole;
  - ii. review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors; and
  - iii. assess the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### **6. Status of Appointment:**

- a) You will not be an employee of the Company and this letter shall not constitute a contract of employment.
- b) You may be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board and approved by the Shareholders from time to time, in accordance with the applicable provisions of the Companies Act, 2013.
- c) You may be paid remuneration by way of commission as may be approved by the Board and the Shareholders from time to time.



## **7. Reimbursement of Expenses:**

In addition to the sitting fees and remuneration as above, the Company may, 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.

## **8. Conflict of Interest:**

- a) It is accepted and acknowledged that you may have business/professional interests other than those of the Company. As a condition to your appointment commencing, you are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment.
- b) 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 disclosed to the Board of the Company and the Company Secretary.

## **9. Confidentiality:**

- a) You will have a right of access to documents and records of the Company, including the financial records in terms of the provisions of the Companies Act, 2013
- b) All information acquired during your appointment is confidential to the Company. Any confidential information must not be divulged and should not be released to third parties without prior written approval of the Chairman of the Board unless the same is required by law or by the rules of any stock exchange or any regulatory body.
- c) You shall surrender any documents and other materials made available to you by the Company.

## **10. Induction and evaluation:**

- a) You will be invited to attend an induction session after your appointment. Formal induction will be followed by training sessions and briefings from the management of the Company.
- b) The Company has adopted a policy on the Board Evaluation and it provides for evaluation of the Board, the Committees of the Board and individual Directors, including the Chairman of the Board.
- c) As per the Policy, the Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis.
- d) Your appointment/reappointment shall be subject to the outcome of the evaluation process.

## **11. Independent External /Professional Advice:**

You will be entitled to seek external independent / professional advice at the Company's expense in accordance with the Company's policy, in order to enable you to carry out the duties of your office, if you find it necessary.

## **12. Disclosure of Interest:**

- a) You will have to submit relevant information in the prescribed forms periodically to the Board in terms of the provisions of the Companies Act, 2013.
- b) You will be required to disclose to the Company your interests and any matters, which affect/may affect your independence.
- c) You will also be required to give a declaration that you meet the criteria of independence every financial year, as provided under Section 149 of the Companies Act, 2013 in the prescribed format.
- d) Applicable provisions of the Companies Act, 2013 read with the Listing Agreement are enclosed herewith as **Annexure 2** to this Letter for your ready reference.
- e) The Company will in its Annual Accounts 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.

- f) A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.

### **13. Dealing in securities / Code of Conduct & Ethics:**

- a) Directors are prohibited from dealing the shares of the Company during the period when the trading window is closed.
- b) The Directors being the designated officers of the Company for the purpose of insider trading guidelines, are to pre-clear all trades from the Chairman of the Board and the Compliance Officer of the Company.
- c) You are required to comply with the applicable insider trading guidelines and regulations.
- d) You are also required to comply with the provisions of the Code of Business Conduct and Ethics of the Company.

### **14. Publication of terms of Appointment:**

In terms of the provisions of Clause IV (Manner of Appointment) sub-clause 6 of the Schedule IV under the Companies Act, 2013, the Company will make public the terms and conditions of your appointment and will arrange for it to be posted on the website of the Company.

### **15. Resignation / Termination:**

- a) Your appointment will terminate automatically on the expiry of the term of appointment or if you vacate your office in terms of applicable provisions of the Companies Act, 2013. There will be no compensation for termination of office.
- b) Your appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.
- c) You may resign from your position at any time. You are requested to serve a reasonable written notice on the Board if you wish to resign.
- d) Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with applicable provisions of Companies Act, 2013 and the Articles of Association of the Company. You will not be entitled to compensation if the shareholders do not re-elect you at any time.

### **16. Governing Law and Jurisdiction:**

The terms of this appointment Letter and any non-contractual obligations arising out of or in connection with this Letter are governed by and will be interpreted in accordance with Indian law and you agree to submit to the exclusive jurisdiction of the Courts of Ahmedabad, Gujarat.

This Letter is issued in terms of the applicable provisions of the Companies Act, 2013, Rules framed thereunder and provisions of the Listing Agreement with the Stock Exchanges. Any change in the statutory provisions shall automatically entail changes in the terms and conditions mentioned herein.

Best regards,  
Yours sincerely,

**For and on behalf of  
CHARTERED LOGISTICS LIMITED**

\_\_\_\_\_  
**MANAGING DIRECTOR**

**DIN:** \_\_\_\_\_



Encl. As Above

## ANNXURE-I

### **CODE FOR INDEPENDENT DIRECTORS**

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfillment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

#### **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 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.

**\*Section 149(8):** *The company and independent directors shall abide by the provisions specified in Schedule IV.*

#### **II. Role and functions:**

The independent directors 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:**

The independent directors 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;
- 10) ascertain and ensure that the company has an adequate and functional vigil
- 11) mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- 12) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- 13) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- 14) 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.

### **IV. Manner of appointment:**

- 1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- 2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- 3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
- 4) The appointment of independent directors shall be formalised through a letter of appointment, which shall set out :
  - a) the term of appointment;
  - b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
  - c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
  - d) provision for Directors and Officers (D and O) insurance, if any;



- e) the Code of Business Ethics that the company expects its directors and employees to follow;
  - f) the list of actions that a director should not do while functioning as such in the company; and
  - g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- 5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
  - 6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

#### **V. Re-appointment:**

The re-appointment of independent director shall be on the basis of report of performance evaluation.

#### **VI. Resignation or removal:**

- 1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- 2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
- 3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

#### **VII. Separate meetings:**

- 1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
- 2) All the independent directors of the company 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
  - d) company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### **VIII. Evaluation mechanism:**

The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.