

### **Terms of Appointment of Independent Director**

On behalf of the Company we write to confirm your re-appointment (appointment) as an independent Non-Executive director of the VRL LOGISTICS LIMITED ("VRL" or "Company"), as per the provision of the Companies Act, 2013 with effect from \_\_\_\_\_. I set out below the terms of your appointment:

#### **1. TERM OF OFFICE**

Your appointment is subject to the tenure of the maximum permissible directorship that one can hold as per the provisions of the Companies Act 2013 and receipt of your consent to act as an Independent Director of the Company. In terms of the provisions of the Companies Act 2013 it is anticipated that the appointment will be for a period of Five (5) years from \_\_\_\_\_ subject to approval of members at the ensuing general meeting through special resolution. You shall not be liable to retire by rotation as per the relevant provisions of the Companies Act, 2013.

Your appointment is subject to the provisions of Companies Act, 2013 regarding appointment, fees, expenses, retirement, disqualification and removal of directors. You may voluntarily cease to hold office as a Director.

At any time you resign by giving a written notice. It is desirable that you give the Chairman reasonable prior indication of your intention to resign or to not seek re-appointment so that VRL LOGISTICS LIMITED can plan for succession of skills and experience on the Board; and you may be required to vacate office for any reason pursuant to any of the provisions of the Companies Act, 2013; or

You may be removed as a director or otherwise required to vacate office under any applicable law or as stated under the Articles of Association of the Company.

Your performance as an Independent Director will be reviewed during your tenure with the Company in accordance with processes agreed by the Board from time to time. You agree to participate in such reviews.

#### **2. COMMITMENTS**

##### **A) Independent Director**

You will be expected to devote such time as is necessary for the proper performance of your duties and as an Independent Director you will be

involved in a number of board and committee meetings each year. You are expected to 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 and Audit Committee meet at least 4 times a year. Besides, there are other committee meetings like Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Administration Committee meetings which are occasionally convened. You will be expected to attend all the scheduled quarterly Board Meetings, General Meetings, Committee Meetings and other duly convened meetings as may be necessary and to devote sufficient time to discharge your duties.

As an independent director you are also expected to remain present in at least one meeting in a year, such meeting being attended to exclusively by the Independent Directors with the sole objective of:

- (a) reviewing the performance of non-independent directors and the Board as a whole;
- (b) reviewing the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- (c) Assessing 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.

By accepting this appointment, you have confirmed that you are able to allocate sufficient time to meet the expectations of your role to the satisfaction of the Board.

## **B) The Company**

- The Company shall provide you with adequate notice of the dates of proposed board meeting, general meetings, and meetings of board committees. As per the provision of the Companies Act, 2013 and the company is expected to give you an advance notice of minimum 7 days of every board and committee meetings. A meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one independent director, shall be present at the meeting and in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director. The notice of the Board/ Committee meetings will be provided along with the agenda of the Board/ Committee meetings.

- The company will inform its Board members about the business model of the company as well as the risk profile of the business parameters of the company and their responsibilities as directors
- Company shall inform the directors about any key upcoming events in the company
- Company shall ensure that director is update about latest happening in the industry and in the field of law applicable on the company by allowing them to visit the seminars held in these respect, the director/s having taken the initiative for such attendance;
- Company shall establish an effective whistle blower mechanism so that the directors can raise their concerns
- It shall be the responsibility of the Company to provide the independent director with all the information and documents they validly require to fulfill their functions.
- The company shall ensure that the independent directors are aware of their statutory obligations.

### **3. CODE OF CONDUCT, FUNCTIONS AND DUTIES**

You will be expected to perform your duties, whether statutory, fiduciary or under common law, faithfully, efficiently and diligently to a standard commensurate with both the functions of your role and your knowledge, skills and experience. You will have all the usual duties of an independent director under Companies Act 2013, including attendance at board meetings, the annual general meeting, meetings of independent directors, meetings with investors and shareholders and other Board events such as site visits, together with such additional duties as may be agreed with the Board, and which may relate to the business of the Company or any other member of the Group. You will be required to serve on such committees as the Board may request, including but not limited to Audit, and/or Nomination and remuneration and/or Stakeholders Relationship and/ or Financial Restructuring Committees of Directors and/ or Sub-committee of Directors In addition, you will be expected to devote due attention as well as adequate preparation and travel time ahead of each meeting.

As an Independent Director of VRL LOGISTICS LIMITED, you will have legal duties and obligations under Companies Act 2013. It is expected that you will familiarize yourself with the relevant Directors' Duties, roles and responsibilities as set out in **Annexure -1**.

#### **4. LIABILITY**

As an independent director you will be liable only in respect of such acts of omission or commission by a 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. TECHNOLOGY**

Being a Director, you may make use of video, telephone, electronic mail, any other technology which permits each Director to communicate with every other Director, or any combination of these technologies for the purpose of calling and holding Directors' meetings.

You may attend the board or committee meeting through video conferencing or other audio visual means subject to the applicable provisions of the Companies Act, 2013.

#### **6. CONFLICT OF INTEREST**

It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to your appointment commencing, you are required to declare any such directorship, appointments and interests to the Board in the prescribed form at the time of appointment.

By accepting this appointment you will be deemed to have confirmed that any other position you hold including your directorships in other organizations, shall not give rise to any conflicts of interest in relation to your appointment as an Independent Director of the Company. Should you become aware of any conflict or potential conflict during your appointment, you are expected to disclose the same to the Chairman and the Company Secretary.

As an Independent Director you shall not engage in any activity/ies that is not expected from you as an Independent Director.

#### **7. DISCLOSURES**

You shall be required to submit certain information in the prescribed forms on a defined periodicity. Company Secretary shall be the coordinating officer for this.

You are required to disclose to the Company your interests and any matters (excluding those matters which may be subject to legal professional privilege) which affect your independence.

During your tenure as an independent director you are required to give a declaration that you meet the criteria of independent every financial year as provided under Section 149 of the Companies Act, 2013. Format of disclosure is enclosed in **Annexure - II**.

## **8. DIRECTORS' FEES / REIMBURSEMENT OF EXPENSES**

You will not be an employee of the Company and this letter shall not constitute a contract of employment. You will be paid remuneration by way of sitting fees for meetings of the Board and its committees. The sitting fees for attending Board and its Committees meeting is Rs. 15,000/- as per the provision of Section 197 of the Companies Act, 2013 and the Articles of Association of the Company which is subject to deduction of applicable taxes for time being in force.

The Company shall reimburse you all traveling, hotel, and other incidental expenses properly and reasonably incurred by you in performance of duties as per provisions of the Companies Act, 2013 in conjunction with the Company rules and policies.

As an independent director you shall not be entitled to any stock option and shall not be covered by any pension scheme.

## **9. REVIEW**

The performance of individual directors, the whole Board and its committees is evaluated annually. If, in the interim, there are any matters which cause you concern about your role you should discuss them with the Chairman or the other independent director/s as soon as you can.

## **10.CODE OF CONDUCT FOR INDEPENDENT DIRECTORS**

You are required to abide by the Code of conduct for independent Directors as laid down in the schedule IV of the Companies Act 2013. Enclosed as an **Annexure - III**

## **11.INDUCTION & TRAINING**

Where possible, directors will be encouraged to attend special training courses by various professional bodies to ensure that the directors are refreshed and equipped to perform their role in the highest standards and performance possible. You should feel free to request any further information which you require, at any time.

## **12. INDEMNITY AND INSURANCE/ PROVISION FOR DIRECTORS AND OFFICERS (D AND O) INSURANCE**

The Company may obtain a Directors' & Officers' liability Insurance Policy for you. Details of the same will be provided by the Company Secretary as and when such policy is taken by the Company. For the present, the management is of the view that such a policy is not warranted.

## **13. CONFIDENTIALITY AND ACCESS TO COMPANY RECORDS**

Under Company law, Directors have a right of access to Company's documents and records, including financial records.

Any confidential information which may come to your knowledge in the performance of your duties as a director of the Company must not be divulged, except in so far as:

- a. may be necessary in connection with the proper performance of your duties to the Company;
- b. the Company may from time to time authorize you to disclose such information as may be required by you with the condition that you will take all reasonable precautions as may be necessary to maintain the secrecy and confidentiality of all confidential information of the Company; or
- c. You may be required by law to disclose.

## **14. TERMINATION / RESIGNATION**

- a. You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice to the Board.
- b. Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, from time to time in force. You will not be entitled to any compensation on failure of re-election.
- c. Your appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time and applicable law from time being in force.

## **15. GOVERNING LAW**

This letter of appointment is governed by and will be interpreted with the laws of India and your engagement and related matters including disputes arising in relation thereto shall be subject to the jurisdiction of the Indian Courts.

Kindly confirm your agreement to the terms set out above by signing the endorsement on the enclosed copy of this communication. Please return the copy to me at the above address. In returning this letter duly signed, you agree that the Company may make this letter publicly available.

Yours Faithfully

**For VRL LOGISTICS LIMITED**

**ANIRUDDHA PHADNAVIS  
COMPANY SECRETARY &  
COMPLIANCE OFFICER**

I hereby acknowledge receipt of and accept the terms set out in this letter

**Independent Director**

**Date:**

**Annexure I**  
**Power, duties and responsibility of Independent Director**

**A. PROFESSIONAL CONDUCT**

As an Independent director of the Company, you shall:

- a) uphold ethical standards of integrity and probity;
- b) act objectively and constructively while exercising your duties;
- c) exercise your responsibilities in a bona fide manner in the interest of the Company;
- d) devote sufficient time and attention to your professional obligations for informed and balanced decision making;
- e) 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;
- f) 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;
- g) refrain from any action that would lead to loss of your independence;
- h) where circumstances arise which make you as an Independent Director lose your independence, you must immediately inform the Board accordingly;
- i) assist the Company in implementing the best corporate governance practices

**B. ROLE AND FUNCTIONS**

As an Independent director of the Company, you shall:

- a) 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;
- b) bring an objective view in the evaluation of the performance of board and management;



- c) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- d) satisfy yourself on the integrity of financial information and that financial controls and the systems of risk management are robust and operational;
- e) safeguard the interests of all stakeholders, particularly the minority shareholders;
- f) balance the conflicting interest of the stakeholders;
- g) 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;
- h) Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

### **C. DUTIES**

As an Independent director of the Company, you shall:

- a) undertake appropriate training / induction and regularly update and refresh your skills, knowledge and familiarity with the Company;
- b) 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;
- c) strive to attend all meetings of the Board of Directors and of the Board committees of which you are a member;
- d) participate constructively and actively in the committees of the Board in which you are a chairperson or a member;
- e) strive to attend the general meetings of the Company;
- f) ensure that your concerns about the functioning of the Company or a proposed action 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;
- g) keep yourself well informed about the Company and the external environment in which it operates;

- h) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- i) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure yourselves that the same is/are in the interest of the Company;
- j) 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;
- k) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- l) acting within your authority, assisting in protecting the legitimate interests of the Company, shareholders and its employees;
- m) 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.

**Annexure II**  
**Declaration by Independent Director**

"I \_\_\_\_\_, holding DIN \_\_\_\_\_ with respect to the position of Independent Director of VRL LOGISTICS LIMITED, hereby confirm that:-

- a. I do not hold designation of Managing Director or a Whole-time Director or a Nominee Director in the Company or its holding, subsidiary or associate company;
- b. I possess relevant expertise and experience as required for the designation;
- c. I possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, administration, research and corporate governance related to the company's business;
- d. I am not the nominee of any financial institution or of the Government or any of any other person, to represent their interest on the Board;
- e. I am or was not promoter of the company of the company or its holding, subsidiary or associate company and also not related to the promoters or directors in the company, its holding, subsidiary or associate company;
- f. I do not have or have had any pecuniary relationship 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, apart from receiving Directors remuneration from the company u/s 149(9) of the Companies Act, 2013;
- g. None of my relative has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or fifty lakh rupees, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- h. Neither I nor any of my relative hold or has held the position of key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the current financial year;
- i. Neither I nor any of my relative is or has been an employee or proprietor or a partner in any of the three financial years immediately preceding the current financial year:
  - i. In a firm of auditors or company secretaries in practice or cost auditors of the company or it's holding, subsidiary or associate company,
  - ii. In any legal or a consulting firm that has or had any transaction with the company, its holding co, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm

- j. I or any of my relative does not hold together with my relatives 2% or more of the total voting power of the company.
- k. I or any of my relative is not a material supplier, service provider or customer or a lessor or lessee of the company.
- l. Neither I or nor any of my relatives is a Chief Executive Officer (CEO) by whatever name called , of any nonprofit organization that receives 25% or more of its receipts 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.
- m. I am not disqualified to act as an Independent Director under any provision of Companies Act, 2013 and rules made there under.

***I further confirm that:-***

I do not hold the position of Independent Director in more than 7 listed companies;

- a. I am not holding the position of Whole-time Director in any listed company and serving as an Independent Director not more than in 7 listed companies at the same time;
- b. I am not the member in more than ten committees of Audit Committee and the Stakeholders' Relationship Committee across all public limited companies where I am acting as director.
- c. I am not Chairman in more than five Audit Committee and the Stakeholders' Relationship committee across all public limited companies where I am acting as director.

Signature:

Name :

Dated:

Place: Hubballi

## **ANNEXURE - III**

### **CODE OF CONDUCT FOR INDEPENDENT DIRECTORS**

This is to inform you that in terms of Section 149(7) of Companies Act, 2013, it is mandatory for all Independent Directors to adhere with the Code of Conduct of the Company.

The said Code has been prescribed under Schedule IV of the Companies Act, 2013 and the same is reproduced herein below for your perusal and ready reference:-

#### **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.

#### **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) scrutinize 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 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 behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) acting within his 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.

#### **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 formalized 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 company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**VIII. Evaluation mechanism:**

- (1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- (2) 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.