



POLICY ON TERMS OF APPOINTMENT OF INDEPENDENT DIRECTORS

Preamble

Section 149 of the Companies Act, 2013 read with Rule 4 and Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 provides for the appointment of an Independent Director.

In terms of Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulation, 2015 (the "Listing Obligation") the board of directors of the company is required to lay down a code of conduct for all members of board of directors and shall suitably incorporate the duties of independent directors as laid down in the Companies Act, 2013.

Accordingly, the board of directors of Kaushalya Logistics Limited (the "Company"), in compliance with the provisions of the Companies Act, 2013 (the "Act") and the Listing Regulation, has formulated a Policy on Terms of Appointment of Independent Director (the "Policy"), which has been adopted by the Board on 20TH September, 2023.

The terms and conditions of your appointment are as set forth below:

1. Term of Office

Your appointment is not subject to retirement by rotation in pursuance of provisions of sub-section 13 of Section 149 of the Companies Act, 2013.

Your appointment will terminate automatically:

If you are disqualified from acting as, or you are required to vacate your office as a director for any reason either under the Companies Act, 2013 or under Listing Regulation/Relevant SEBI Guidelines.

If your appointment is not approved by the members.

If you submit resignation from your office by giving notice in writing as per Section 168 of the Companies Act, 2013.

A Special Resolution is passed by the Company for your removal from the office of Independent Director as provided in Section 169 of the Companies Act, 2013.

2. Tenure

Independent Directors shall be appointed for a maximum period of 5 consecutive years on the Board of the Company

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3. Role and functions:

Your role and functions as an Independent Director of the Company shall, in terms of schedule IV prescribed vide Section 149 (8) of the Companies Act, 2013, be as follows:

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; bring as objective view in the evaluation of the performance of board and management; scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;

satisfy yourself on the integrity of financial information and the financial controls and the systems of risk management are robust and defensible;

safeguard the interests of all stakeholders, particularly the minority shareholders; balance the conflicting interest of the stakeholders;

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;

4. Duties

moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholders' interest.

you may be appointed to any of the Committees of the Board of Directors from time to time.

You are expected to perform your general fiduciary duties, and exercise the skill and care expected of every director.

Duties under Section 166 of the Companies Act, 2013

You are expected also to perform the following duties as a Director of the Company which are specifically provided under Section 166 of the Companies Act, 2013:

act in accordance with the Articles of Association of the Company, subject to the provisions of Companies Act, 2013;

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;

exercise duties with due and reasonable care, skill and diligence and shall exercise independent judgment;

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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;

not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners, or associates;

not assign your office as any such assignment shall be void.

4.2 Duties under Schedule IV of the Companies Act, 2013

You are also expected to perform the following duties as an Independent Director which are provided under Schedule IV Companies Act, 2013;

undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the Company;

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;

strive to attend all meeting of the Board of Directors and of the Board Committees of which you are member;

participate constructively and actively in the Committees of the Board in which you are chairperson or member;

strive to attend the general meeting of the Company;

Where you have concerns about the running of the Company or a proposed action, ensure that these concerns are addressed by the Board and, to the extent that concerns are not resolved, insist that your concerns are recorded in the minutes of the Board meeting;

Keep yourself well informed about the Company and the external environment in which it operates;

not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;

pay sufficient attention and ensure that adequate deliberations are held before approving related party transaction and assure yourself that the same are in the interest of the Company;

ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interests of the person who uses such mechanism are not prejudicially affected on account of such use;

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report concerns about unethical behavior, actual or suspected fraud or violation of the Company code of conduct;

act within your authority, assists in protecting the legitimate interests of the Company, shareholders and its employees;

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 of required by law;

Conflict of Interest

During the term, they are required to promptly notify any change in their directorships, appointments and interest in any manner whatsoever. In the event that circumstances seem likely to change and could give rise to a conflict of interest or, when applicable, circumstances that lead the Board to revise its judgment on their independence, the same should be disclosed to the chairman of the Board.

Other requirements

During the tenure of your office as Independent Director, you are required not to;

- have any pecuniary relationship with the Company, or its holding, subsidiary or associate Company, or any of the Company's promoters or Directors;
- hold or take-up the position of a key managerial personnel of the Company or its holding, subsidiary or associate Company;
- hold, together with your relatives, two per cent or more of the total voting power of the Company;
- hold or take up any position or appointment as an employee or proprietor or a partner;

in a firm of auditors or Company Secretaries in practice or cost auditors of the Company or holding, subsidiary or associate Company; or

in any legal or consulting firm that has or may have any transaction with the Company, its holding, subsidiary or associate Company amounting to ten percent or more of the gross turnover of such firm;

Disclosures, other requirements and business requirements

During the Term, they agree to promptly notify the Company of any change in their directorships, memberships and provide such other disclosures and information as may be required under the applicable laws. They also agree that upon becoming aware of any

potential conflict of interest with their position as Independent Director of the Company, they shall promptly disclose the same to the chairman of the Board and the company secretary of the Company. During their Term, they agree to promptly provide a declaration under Section 149(7) of the Act, upon any change in circumstances which may affect their status as an Independent Director.

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Rights

You will be entitled to sitting fees as decided by the Board of Directors of the Company for the attending meeting of the Board of Directors or Committee(s) of the Directors.

You will be reimbursed all expense incurred in travelling for attending the Board and other meetings and reasonable and proper accommodation expense, if any, for meetings that necessitate you to stay away from your home.

You will be entitled to indemnification afforded to the Directors by the Company's Articles of Association, the Companies Act, 2013 and as per Directors & Officers Insurance Policy of the Company.

During the tenure of your office as an Independent Director, you shall have following rights:

Access to all information in or about the Company and its affairs which are made available to the Executive Directors;

Review the Agendas for Board Meeting/s and Committee Meeting/s and all relevant papers; and

Contact the Chairman, Managing Directors/Whole-time Directors and any key Management Personnel, in case of any requirement.

5. Independence and other interests

You shall at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect your status as an independent Director, give a declaration that you meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and under the Listing Regulations.

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