

TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTOR

Date: (*)

To,
(*)

Subject: Letter of appointment as an Independent Director

Dear Madam/ Sir,

We are pleased to inform you that the Shareholders of Caliber Mining and Logistics Limited ("the Company") at their meeting held on 18/11/2024, have approved your appointment as an Independent Director of the Company for a term of three consecutive years commencing with effect from 18/11/2024.

This letter sets out the terms & conditions for your appointment as Independent Director in terms of the requirements of Schedule IV of the Companies Act, 2013 ("the Act").

1. TENURE OF APPOINTMENT:

You will serve as an Independent Director for a term of three consecutive years commencing from 18/11/2024, not liable to retire by rotation. Your appointment is not a contract of employment of the Company.

2. TERMS OF APPOINTMENT:

We have taken note of your confirmation that you meet the independence criteria as required pursuant to Section 149(6) of the Act and your registration on the Independent Directors' databank, maintained by the Indian Institute of Corporate Affairs.

Re-appointment:

On the conclusion of the first term of appointment of three consecutive years, you may further be appointed for a term of five consecutive years subject to the approval of the Board on the basis of the performance evaluation report and approval of shareholders by way of a special resolution and you continuing to meet the independence criteria as prescribed under the Act.

Membership(s) on other Boards and Committee positions:

You can continue on the Boards of other companies. However, there should not be any conflict of interest vis-à-vis our Company. Further, your number of board and committee positions in all companies should be within the maximum limit prescribed under the Act, from time to time and in case of any change, you are requested to inform the Company.

Employee Stock Options:

It may be noted that as provided under the Act, you will not be entitled to any stock options of the Company.

3. COMMITTEES OF THE BOARD:

The Company will constitute statutory Board Committees and you may be requested to be a member/chairperson of any one or more Committees of the Board; and you may also be requested to join the Board of one or more of Company's subsidiary.

You may be requested to be a Member/Chairman of any one or more Committees/Sub-committees of the Board which may be constituted from time to time.

4. REMUNERATION:

Sitting fees of Rs. 25,000 per meeting of the Board and Rs. 25,000 per meeting of the Board Committee will be paid to you. You will be entitled to reimbursement of expenses incurred by you, in connection with your attendance at Board, Committee and general meetings.

5. ROLES & FUNCTIONS:

As an independent director, you will be expected to –

- 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, committees and individual directors;
- c) Scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- d) Ensure the integrity of financial information and that financial controls and the systems of risk management are robust and flexible;
- e) Safeguard and balance the interest of all stakeholders;

f) Moderate and arbitrate in the interest of the Company in situations of conflict between management and shareholder's interest.

6. RESPONSIBILITIES & DUTIES:

Following will be your responsibilities and duties –

a) Updation of your skills, knowledge and familiarity with the Company and the external environment in which it operates

b) Seeking appropriate clarification or amplification of information;

c) Striving to attend and actively participate in all meetings of the Board and Committees of which you are a chairperson/member as well as the general meetings of the Company;

d) Holding and/or participating actively in the separate meetings of the independent directors of the Company which shall –

- review the performance of non-independent directors and the Board as a whole;
- review the performance of the Chairperson of the Company, taking into account the views of executive and non-executive directors;
- 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 its duties.

e) Ensuring that your concerns about the running of the Company or a proposed action, are addressed by the Board and, to the extent that are not resolved, insist that your concerns are recorded in the minutes of the Board meeting;

f) Not unfairly obstructing the functioning of an otherwise proper Board or committee of the Board;

g) Ensuring adequate deliberations, before approving related party transactions and assuring yourself that the same are in the interests of the Company;

h) Ensuring that the Company has an adequate and functional vigil mechanism and reporting concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy if any;

i) Acting within your authority, assist in protecting the legitimate interests of the Company, shareholders and employees;

j) Not disclosing 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.

7. PROFESSIONAL CONDUCT:

As an independent director, you shall-

- a) Uphold ethical standards of integrity and probity;
- b) Act objectively and constructively while exercising his 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 lose your independence, you must immediately inform the Board accordingly;
- i) Assist the Company in implementing the best corporate governance practices.

08. DEALING IN SECURITIES OF THE COMPANY:

Directors are prohibited from dealing in the Company's securities during the period when the trading window is closed. Directors are prohibited from forward dealing in securities of the Company. Also, they should not enter into insider trading and are expected to comply with the Company's 'Securities Dealing Code' as well as with the relevant provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

09. LIABILITY OF NON-EXECUTIVE DIRECTORS & INDEPENDENT DIRECTORS:

Abiding by the provisions of the Act, we would like to mention that being an independent director of the Company, you will be held liable, only in respect of such acts of omission or commission

which have occurred with your knowledge, attributable through Board processes, and with your consent or connivance or where you have not acted diligently.

Thanking You,
Yours faithfully,
For Caliber Mining and Logistics Limited

Mohit Satishkumar Chadda
Chairman and Managing Director
(DIN: 06894670)

ACCEPTANCE OF THE APPOINTMENT I agree to the terms and conditions of my appointment as an Independent Director as set out above in the letter of appointment.

Name: (*)
(DIN: (*))

Annexure A

Relevant Extract from Companies Act, 2013

Section 2 (60) – Definition

Officer in Default, for the purpose of any provision in this Act which enacts that an officer of the company who is in default shall be liable to any penalty or punishment by way of imprisonment, fine or otherwise, means any of the following officers of a company, namely:

- whole-time director;
- key managerial personnel;
- where there is no key managerial personnel, such director or directors as specified by the Board in this behalf and who has or have given his or their consent in writing to the Board to such specification, or all the directors, if no director is so specified;
- any person who, under the immediate authority of the Board or any key managerial personnel, is charged with any responsibility including maintenance, filing or distribution of accounts or records, authorizes, actively participates in, knowingly permits, or knowingly fails to take active steps to prevent, any default;
- any person in accordance with whose advice, directions or instructions the Board of Directors of the company is accustomed to act, other than a person who gives advice to the Board in a professional capacity;
- every director, in respect of a contravention of any of the provisions of this Act, who is aware of such contravention by virtue of the receipt by him of any proceedings of the Board or participation in such proceedings without objecting to the same, or where such contravention had taken place with his consent or connivance;
- in respect of the issue or transfer of any shares of a company, the share transfer agents, registrars and merchant bankers to the issue or transfer.

Section 134 (5) – Financial Statement, Board Report etc.

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) shall state that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis; and
- the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

Explanation—For the purposes of this clause, the term “internal financial controls” means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Section 149 (6) – Company to have Board of Directors

An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director: -

- who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
- (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- who has or had no pecuniary relationship, other than remuneration as such director or having transaction not exceeding ten per cent. of his 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;

- none of whose relatives-

(i) 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:

Provided that the relative may hold security or interest in the company of face value not exceeding fifty lakh rupees or two per cent. of the paid-up capital of the company, its holding, subsidiary or associate company or such higher sum as may be prescribed;

(ii) is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;

(iii) 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 such amount as may be prescribed during the two immediately preceding financial years or during the current financial year; or

(iv) has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);

- who, neither himself nor any of his relatives-

(i) holds or has held the position of a 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 financial year in which he is proposed to be appointed;

Provided that in case of a relative who is an employee, the restriction under this clause shall not apply for his employment during preceding three financial years.

(ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—

- (a) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
- (b) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;
- (iii) holds together with his relatives two per cent. or more of the total voting power of the company; or
- (iv) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives twenty-five per cent. or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company; or
- who possesses such other qualifications as may be prescribed.

Section 149 (8) – Company to have Board of Directors

The company and independent directors shall abide by the provisions specified in Schedule IV.

Section 149 (12) – Company to have Board of Directors

Notwithstanding anything contained in this Act-

- an independent director;
- a non-executive director not being promoter or key managerial personnel, shall be held liable, only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.

Section 166 – Duties of Directors

- Subject to the provisions of this Act, a director of a company shall act in accordance with the articles of the company;
- A director of a company 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;

- A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment;
- A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company;
- A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company;
- A director of a company shall not assign his office and any assignment so made shall be void;
- If a director of the company contravenes the provisions of this section such director shall be punishable with fine which shall not be less than one lakh rupees, but which may extend to five lakh rupees.

Section 188 (5) – Related Party Transactions

Any director or any other employee of a company, who had entered into or authorized the contract or arrangement in violation of the provisions of this section shall-

- in case of listed company, be liable to a penalty of twenty-five lakh rupees and
- in case of any other company, be liable to a penalty of five lakh rupees.

Section 197 (13) – Overall managerial remuneration and managerial remuneration in case of absence of or inadequacy of profits

Where any insurance is taken by a company on behalf of its managing director, whole-time director, manager, Chief Executive Officer, Chief Financial Officer or Company Secretary for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the company, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Annexure B
SCHEDULE IV
[See section 149(8)]
CODE FOR INDEPENDENT DIRECTORS

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment 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:

- uphold ethical standards of integrity and probity;
- act objectively and constructively while exercising his duties;
- exercise his responsibilities in a bona fide manner in the interest of the company;
- devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- 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;
- 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;
- refrain from any action that would lead to loss of his independence;
- where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- assist the company in implementing the best corporate governance practices.

II. Role and functions:

The independent directors shall:

- 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 an 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 themselves on the integrity of financial information and that 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;
- 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

- undertake appropriate induction and regularly update and refresh their 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 meetings of the Board of Directors and of the Board committees of which he is a member;
- participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- strive to attend the general meetings of the company;

- 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;
- keep themselves 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 transactions and assure themselves 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 a person who uses such mechanism are not prejudicially affected on account of such use;
- report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- act within their authority, assist 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 or required by law.

IV. Manner of appointment:

- 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;
- The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders;
- 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;

- The appointment of independent directors shall be formalized through a letter of appointment, which shall set out:
- the term of appointment;
- 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;
- the fiduciary duties that come with such an appointment along with accompanying liabilities;
- provision for Directors and Officers (D and O) insurance, if any;
- the Code of Business Ethics that the company expects its directors and employees to follow;
- the list of actions that a director should not do while functioning as such in the company; and
- the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Board and other meetings and profit related commission, if any.
- 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;
- 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 an independent director shall be on the basis of report of performance evaluation.

VI. Resignation or removal:

- 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;

- An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within three months from the date of such resignation or removal, as the case may be;
- 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:

- The 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;
- All the independent directors of the company shall strive to be present at such meeting;
- The meeting shall:
 - review the performance of non-independent directors and the Board as a whole;
 - review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
 - 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:

- 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.