



August 6, 2014

Mr. K. L. Chugh,
Cosmos Consulting,
No.1421, 14th floor, 38,
Nehru Place,
New Delhi-19.

Dear Chugh

We thank you for your confirmation to Gati Limited (the "Company") that you meet the "independence" criteria as envisaged in section 149 (6) of the Companies Act, 2013 ("Act") and clause 49 of the Listing Agreement and also for your consenting to hold office as director of the Company.

We are pleased to confirm that, the shareholders of the Company in their Annual General Meeting held on August 5, 2014 (AGM) have approved your appointment as Independent Director of the Company.

This letter sets out the terms of your appointment as an Independent Director.

The terms of your appointment, as set out in this letter, are subject to the extant provisions of the (i) applicable laws/regulations, including the Companies Act, 2013 ("Act"), and clause 49 of the Listing Agreement (as amended from time to time) and (ii) Articles of Association of the Company ("AOA") (hereinafter collectively referred to as laws/regulations).

1. Appointment

In accordance with the laws/regulations, you will serve as an Independent Director on the Board for a tenure of 5 years from the date of AGM. Your appointment / re-appointment is subject to the approval of the shareholders and laws/regulations and your reappointment will be based on the outcome of the performance evaluation process and you continuing to meet the independence criteria.

2. Board Committees

As advised by the Board, during the tenure of office, you will be required to serve on one or more committees of the Board established by the Company. Upon your appointment to any one or more Committees, you will be provided with the appropriate Committee charter which sets out the functions of that Committee.

Currently the Company has four Board-Level Committees, namely:

- Audit Committee
- Nomination & Retnuration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee

- **Audit Committee**
The management is responsible for the Company's internal controls and financial reporting process while the statutory auditors are responsible for performing independent audits of the Company's financial statement in accordance with the generally accepted practices and for issuing reports based on such audits. The Board has entrusted the Audit Committee with the responsibility to supervise these processes and thus ensure accurate and timely disclosure that maintain the transparency, integrity and quality of financial control and reporting.
- **Nomination & Remuneration Committee**
The terms of reference of the committee cover evaluation of compensation and benefits for Executive Director(s), Non-Executive Director (s), framing of policies and system of Employee Stock Option Scheme and looking after the issues relating to HR policies.
- **Stakeholders Relationship Committee**
This committee has a mandate to review and redress shareholder queries and grievances.
- **Corporate Social Responsibility Committee**
The purpose of the CSR Committee is to implement the CSR initiatives of the Company.

You have been nominated to serve as Chairman on the Board of the Company and also as a Member of the Nomination & Remuneration Committee.

The Board may reconstitute the composition of any / all Committees from time to time and any such change shall be promptly communicated to you. In such an event you may also be required to serve on other Committees of the Board.

3. Training of the Board

Every new independent director on the Board attends an orientation program. Presentations are made by executive director / senior managerial personnel. The presentations cover an overview of our strategy and operations to familiarize the new inductees about the strategy, operations and functions of our Company. The induction program will provide an opportunity to interact with the senior leadership of the company and help the inductees understand the company's strategy, operations, service and product offerings, markets, organization structure, finance, HR, IT, quality, facilities and risk management.

The Company shall, as may be required, support directors to continually update their skills and knowledge and improve their familiarity with the Company and its business. The Company will fund / arrange for training on all matters which are common to the whole Board.

4. GATI Code of Conduct

As an independent director of Company, you agree to comply with the GATI Code of Conduct for Non-Executive Directors (NEDs). For your reference, the Code of Conduct for NEDs is outlined below:



- Non-Executive Directors of the Company will always act in the interest of the Company and ensure that any other business or personal association which they may have, does not involve any conflict of interest with the operations of the Company and his / her role therein.
- Non-Executive Directors will comply with all applicable laws and regulations of all relevant regulatory and other authorities as may be applicable to such directors in their individual capacities.
- Non-Executive Directors will safeguard the confidentiality of all information received by them by virtue of their position.

Unless specifically authorised by the Company, you shall not disclose company and business information to public constituencies such as the media, the financial community, agents, franchises, dealers, distributors etc.

Your obligation of confidentiality shall survive termination or cessation of your directorship with the Company.

We would also like to draw your attention to the applicability of both the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the GATI Code of Conduct on Prevention of Insider Trading Policy, prohibiting disclosure or use of unpublished price sensitive information.

Additionally, you shall not participate in any business activity which might impede the application of your independent judgement in the best interest of the Company.

All Directors are required to sign a confirmation of acceptance of the GATI code of conduct on annual basis.

5. Functions, Responsibilities and Duties of Directors

• Functions:

The independent directors 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) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- d) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;



- 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.

• **Responsibilities:**

An independent director shall:

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

Duties :

The independent directors shall—

- a) undertake appropriate induction and regularly update and refresh their 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 he is a member;

- d) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- e) strive to attend the general meetings of the company;
- f) 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;
- g) keep themselves 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 themselves that the same 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 his authority, assist 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.

You shall abide by the Code for Independence Directors as outlined in Schedule IV to section 149 (8) of the Act and duties of directors as provided in the Act including section 166 (outlines the duties of directors) and in clause 49 of the Listing Agreement.

6. Remuneration

Subject to the limits provided under the laws/regulations, as an Independent Director you shall be paid a sitting fee for attending the meetings of the Board and the Committees of which you are a member:

The current structure of sitting fees is as follows:

- Board Meeting - INR 50,000 per meeting
- Audit Committee Meeting - INR 30,000 per meeting
- Other Committee Meetings - INR 20,000 per meeting

In addition to the sitting fees, profits related commission may also be payable to you. In determining the amount of this commission, the nomination and remuneration committee/Board



of directors may consider various factors as disclosed in the remuneration policy. An indicative list of factors that may be considered are as follows:

- Attendance at Board Meetings
- Attendance at Committee Meetings
- Chairmanship of the Board
- Chairmanship at the Committee
- Contributions at Board and Committee Meetings
- Guidance and support provided to the senior management of the company outside Board meetings
- Industry Practices
- Performance Evaluation and
- Performance of the Company

In addition to the above, you will be entitled to reimbursement of such fair and reasonable expenditure, as may have been incurred by you while performing your role as independent director of the Company. This could include reimbursement of expenditure incurred by you for attending Board / Committee meetings, Annual General Meetings, Extraordinary General Meetings, site visits, induction and training (organised by the Company for Directors) and in obtaining, subject to prior consultation of with the Board, professional advice from independent advisors in the furtherance of your duties as an Independent Director.

7. Insurance

The company takes an appropriate Directors' and Officers' Liability Insurance Policy and pays the 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. A copy of the policy document will be supplied on request.

8. Disclosures, other directorship and business interest

During the term, you agree to promptly notify the Company of any change in your directorship, and provide such other disclosures and information as may be required under the applicable laws. You also agree that upon becoming aware of any potential conflict of interest with your position as independent director of the Company, you shall promptly disclose the same to the Chairman or the Company secretary.

During your term, you agree to promptly provide a declaration under section 149 (7) of the Companies Act, 2013 upon any change in circumstances which may affect your status as an Independent Director.

9. Disclosures, other directorship and business interest

During the term, you shall promptly intimate the Company Secretary in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

10. Mechanism for evaluating Board Members

As a member of the Board, your performance as well as the performance of the entire Board and its Committees shall be evaluated annually. Evaluation of each director shall be done by all the



other directors. The criteria for evaluation shall be determined by the Nomination and Remuneration Committee and disclosed in the Company's Annual Report. However the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committee. An indicative list of factors that may be evaluated as part this exercise is:

- Participation and contribution by a director
- Commitment (including guidance provided to the senior management outside Board / Committee meetings)
- Effective deployment of knowledge and expertise
- Effective management of relationship with stakeholders
- Integrity and maintenance of confidentiality
- Independence of behaviour and judgement and
- Impact and influence

11. Termination

Your directorship on the Board of the Company shall terminate or cease in accordance with laws/regulations. Apart from the grounds of termination as specified in the Act, your directorship may be terminated for violation of any provision of the Gati Code of Conduct as applicable to Independent directors.

You may resign from the directorship of the Company by giving a notice in writing to the Board of the Company stating the reasons for resignation. The resignation shall take effect from the date on which the notice is received by Company or date if any, specified by you in the notice, whichever is later.


If at any stage during the Term, there is a change that may affect your status as an independent director as envisaged in section 149(6) of the Companies Act, 2013 or, if applicable, you fail to meet the criteria for "Independence" under the provisions of clause 49 of the Listing Agreement, you agree to promptly take appropriate measures including submission of resignation to the Company with effect from the date of such change.

It is a pleasure to have you on Board. We are confident that your association, expertise and advice will immensely benefit the Company and the Board.

We request you to kindly confirm your acceptance of the terms of appointment by signing and returning the enclosed copy of this letter.

We thank you for your continued support and commitment to the Company.

Yours Sincerely,
For Gati Limited


Mahendra Agarwal
Founder & CEO
DIN: 00179779

Corporate & Regd. Office: Gati Limited

Plot No. 20, Survey No. 12, Kothaguda, Kondapur, Hyderabad - 500 084, Telangana, India. Tel.: (040) 71204284, Fax: (040) 71204285

CIN: L63011TG1995PLC020121 | Toll Free No: 1800-266-4284 | www.gati.com



August 6, 2014

Mr. N. Srinivasan,
Kothari Building,
114, Mahatma Gandhi Road,
Nungambakkam, Chennai – 600 034.

Dear Srinivasan,

We thank you for your confirmation to Gati Limited (the "Company") that you meet the "independence" criteria as envisaged in section 149 (6) of the Companies Act, 2013 ("Act") and clause 49 of the Listing Agreement and also for your consenting to hold office as director of the Company.

We are pleased to confirm that, the shareholders of the Company in their Annual General Meeting held on August 5, 2014 (AGM) have approved your appointment as Independent Director of the Company.

This letter sets out the terms of your appointment as an Independent Director.

The terms of your appointment, as set out in this letter, are subject to the extant provisions of the (i) applicable laws/regulations, including the Companies Act, 2013 ("Act"), and clause 49 of the Listing Agreement (as amended from time to time) and (ii) Articles of Association of the Company ("AOA") (hereinafter collectively referred to as laws/regulations).

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As advised by the Board, during the tenure of office, you will be required to serve on one or more committees of the Board established by the Company. Upon your appointment to any one or more Committees, you will be provided with the appropriate Committee charter which sets out the functions of that Committee.

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3. Training of the Board

Every new independent director on the Board attends an orientation program. Presentations are made by executive director / senior managerial personnel. The presentations cover an overview of our strategy and operations to familiarize the new inductees about the strategy, operations and functions of our Company. The induction program will provide an opportunity to interact with the senior leadership of the company and help the inductees understand the company's strategy, operations, service and product offerings, markets, organization structure, finance, HR, IT, quality, facilities and risk management.

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- Non-Executive Directors will safeguard the confidentiality of all information received by them by virtue of their position.

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Your obligation of confidentiality shall survive termination or cessation of your directorship with the Company.

We would also like to draw your attention to the applicability of both the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the GATI Code of Conduct on Prevention of Insider Trading Policy, prohibiting disclosure or use of unpublished price sensitive information.

Additionally, you shall not participate in any business activity which might impede the application of your independent judgement in the best interest of the Company.

All Directors are required to sign a confirmation of acceptance of the GATI code of conduct on annual basis.

5. Functions, Responsibilities and Duties of Directors

- **Functions:**

The independent directors shall:

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- b) bring an objective view in the evaluation of the performance of board and management;
- c) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- d) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;

- 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;
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- e) 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;
- f) 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;
- g) refrain from any action that would lead to loss of his independence;
- h) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- i) assist the company in implementing the best corporate governance practices.

Duties :

The independent directors shall—

- a) undertake appropriate induction and regularly update and refresh their 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 he is a member;

- d) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- e) strive to attend the general meetings of the company;
- f) 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;
- g) keep themselves 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 themselves that the same 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;
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The current structure of sitting fees is as follows:

- Board Meeting - INR 50,000 per meeting
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In addition to the sitting fees, profits related commission may also be payable to you. In determining the amount of this commission, the nomination and remuneration committee/Board

of directors may consider various factors as disclosed in the remuneration policy. An indicative list of factors that may be considered are as follows:

- Attendance at Board Meetings
- Attendance at Committee Meetings
- Chairmanship of the Board
- Chairmanship at the Committee
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- Guidance and support provided to the senior management of the company outside Board meetings
- Industry Practices
- Performance Evaluation and
- Performance of the Company

In addition to the above, you will be entitled to reimbursement of such fair and reasonable expenditure, as may have been incurred by you while performing your role as independent director of the Company. This could include reimbursement of expenditure incurred by you for attending Board / Committee meetings, Annual General Meetings, Extraordinary General Meetings, site visits, induction and training (organised by the Company for Directors) and in obtaining, subject to prior consultation of with the Board, professional advice from independent advisors in the furtherance of your duties as an Independent Director.

7. Insurance

The company takes an appropriate Directors' and Officers' Liability Insurance Policy and pays the 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. A copy of the policy document will be supplied on request.

8. Disclosures, other directorship and business interest

During the term, you agree to promptly notify the Company of any change in your directorship, and provide such other disclosures and information as may be required under the applicable laws. You also agree that upon becoming aware of any potential conflict of interest with your position as independent director of the Company, you shall promptly disclose the same to the Chairman or the Company secretary.

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As a member of the Board, your performance as well as the performance of the entire Board and its Committees shall be evaluated annually. Evaluation of each director shall be done by all the

other directors. The criteria for evaluation shall be determined by the Nomination and Remuneration Committee and disclosed in the Company's Annual Report. However the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committee. An indicative list of factors that may be evaluated as part this exercise is:

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It is a pleasure to have you on Board. We are confident that your association, expertise and advice will immensely benefit the Company and the Board.

We request you to kindly confirm your acceptance of the terms of appointment by signing and returning the enclosed copy of this letter.

We thank you for your continued support and commitment to the Company.

Yours Sincerely,
For Gati Limited


K.L. Chugh
Chairman
DIN: 00140124

August 6, 2014

Dr. P.S.Reddy,
401, 4th floor,
Lumbini Lakeview Apartments,
Rajbhavan Road,
Somajiguda, Hyderabad.

Dear Reddy,

We thank you for your confirmation to Gati Limited (the "Company") that you meet the "independence" criteria as envisaged in section 149 (6) of the Companies Act, 2013 ("Act") and clause 49 of the Listing Agreement and also for your consenting to hold office as director of the Company.

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As advised by the Board, during the tenure of office, you will be required to serve on one or more committees of the Board established by the Company. Upon your appointment to any one or more Committees, you will be provided with the appropriate Committee charter which sets out the functions of that Committee.

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- **Audit Committee**
The management is responsible for the Company's internal controls and financial reporting process while the statutory auditors are responsible for performing independent audits of the Company's financial statement in accordance with the generally accepted practices and for issuing reports based on such audits. The Board has entrusted the Audit Committee with the responsibility to supervise these processes and thus ensure accurate and timely disclosure that maintain the transparency, integrity and quality of financial control and reporting.
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The terms of reference of the committee cover evaluation of compensation and benefits for Executive Director(s), Non-Executive Director (s), framing of policies and system of Employee Stock Option Scheme and looking after the issues relating to HR policies.
- **Stakeholders Relationship Committee**
This committee has a mandate to review and redress shareholder queries and grievances.
- **Corporate Social Responsibility Committee**
The purpose of the CSR Committee is to implement the CSR initiatives of the Company.

You have been nominated to serve as Chairman on the Nomination & Remuneration Committee and Corporate Social Responsibility Committee and also member of the Audit Committee.

The Board may reconstitute the composition of any / all Committees from time to time and any such change shall be promptly communicated to you. In such an event you may also be required to serve on other Committees of the Board.

3. Training of the Board

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- c) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- d) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;

- 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.

• **Responsibilities:**

An independent director shall:

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

Duties :

The independent directors shall—

- a) undertake appropriate induction and regularly update and refresh their 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 he is a member;

- d) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- e) strive to attend the general meetings of the company;
- f) 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;
- g) keep themselves 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 themselves that the same 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 his authority, assist 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.

You shall abide by the Code for Independence Directors as outlined in Schedule IV to section 149 (8) of the Act and duties of directors as provided in the Act including section 166 (outlines the duties of directors) and in clause 49 of the Listing Agreement.

6. Remuneration

Subject to the limits provided under the laws/regulations, as an Independent Director you shall be paid a sitting fee for attending the meetings of the Board and the Committees of which you are a member:

The current structure of sitting fees is as follows:

- Board Meeting - INR 50,000 per meeting
- Audit Committee Meeting - INR 30,000 per meeting
- Other Committee Meetings - INR 20,000 per meeting

In addition to the sitting fees, profits related commission may also be payable to you. In determining the amount of this commission, the nomination and remuneration committee/Board

of directors may consider various factors as disclosed in the remuneration policy. An indicative list of factors that may be considered are as follows:

- Attendance at Board Meetings
- Attendance at Committee Meetings
- Chairmanship of the Board
- Chairmanship at the Committee
- Contributions at Board and Committee Meetings
- Guidance and support provided to the senior management of the company outside Board meetings
- Industry Practices
- Performance Evaluation and
- Performance of the Company

In addition to the above, you will be entitled to reimbursement of such fair and reasonable expenditure, as may have been incurred by you while performing your role as independent director of the Company. This could include reimbursement of expenditure incurred by you for attending Board / Committee meetings, Annual General Meetings, Extraordinary General Meetings, site visits, induction and training (organised by the Company for Directors) and in obtaining, subject to prior consultation of with the Board, professional advice from independent advisors in the furtherance of your duties as an Independent Director.

7. Insurance

The company takes an appropriate Directors' and Officers' Liability Insurance Policy and pays the 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. A copy of the policy document will be supplied on request.

8. Disclosures, other directorship and business interest

During the term, you agree to promptly notify the Company of any change in your directorship, and provide such other disclosures and information as may be required under the applicable laws. You also agree that upon becoming aware of any potential conflict of interest with your position as independent director of the Company, you shall promptly disclose the same to the Chairman or the Company secretary.

During your term, you agree to promptly provide a declaration under section 149 (7) of the Companies Act, 2013 upon any change in circumstances which may affect your status as an Independent Director.

9. Disclosures, other directorship and business interest

During the term, you shall promptly intimate the Company Secretary in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

10. Mechanism for evaluating Board Members

As a member of the Board, your performance as well as the performance of the entire Board and its Committees shall be evaluated annually. Evaluation of each director shall be done by all the

other directors. The criteria for evaluation shall be determined by the Nomination and Remuneration Committee and disclosed in the Company's Annual Report. However the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committee. An indicative list of factors that may be evaluated as part this exercise is:

- Participation and contribution by a director
- Commitment (including guidance provided to the senior management outside Board / Committee meetings)
- Effective deployment of knowledge and expertise
- Effective management of relationship with stakeholders
- Integrity and maintenance of confidentiality
- Independence of behaviour and judgement and
- Impact and influence

11. Termination

Your directorship on the Board of the Company shall terminate or cease in accordance with laws/regulations. Apart from the grounds of termination as specified in the Act, your directorship may be terminated for violation of any provision of the Gati Code of Conduct as applicable to Independent directors.

You may resign from the directorship of the Company by giving a notice in writing to the Board of the Company stating the reasons for resignation. The resignation shall take effect from the date on which the notice is received by Company or date if any, specified by you in the notice, whichever is later.

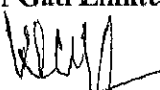
If at any stage during the Term, there is a change that may affect your status as an independent director as envisaged in section 149(6) of the Companies Act, 2013 or, if applicable, you fail to meet the criteria for "Independence" under the provisions of clause 49 of the Listing Agreement, you agree to promptly take appropriate measures including submission of resignation to the Company with effect from the date of such change.

It is a pleasure to have you on Board. We are confident that your association, expertise and advice will immensely benefit the Company and the Board.

We request you to kindly confirm your acceptance of the terms of appointment by signing and returning the enclosed copy of this letter.

We thank you for your continued support and commitment to the Company.

Yours Sincerely,
For **Gati Limited**


K.L. Chugh
Chairman
DIN: 00140124



August 6, 2014

Mr. Sunil Kumar Alagh,
SKA Advisors Pvt. Ltd.,
410, Lotus House, 4th floor, 33A,
New Marine Lines,
Mumbai – 400 020.

Dear Alagh,

We thank you for your confirmation to Gati Limited (the "Company") that you meet the "independence" criteria as envisaged in section 149 (6) of the Companies Act, 2013 ("Act") and clause 49 of the Listing Agreement and also for your consenting to hold office as director of the Company.

We are pleased to confirm that, the shareholders of the Company in their Annual General Meeting held on August 5, 2014 (AGM) have approved your appointment as Independent Director of the Company.

This letter sets out the terms of your appointment as an Independent Director.

The terms of your appointment, as set out in this letter, are subject to the extant provisions of the (i) applicable laws/regulations, including the Companies Act, 2013 ("Act"), and clause 49 of the Listing Agreement (as amended from time to time) and (ii) Articles of Association of the Company ("AOA") (hereinafter collectively referred to as laws/regulations).

1. Appointment

In accordance with the laws/regulations, you will serve as an Independent Director on the Board for a tenure of 5 years from the date of AGM. Your appointment / re-appointment is subject to the approval of the shareholders and laws/regulations and your reappointment will be based on the outcome of the performance evaluation process and you continuing to meet the independence criteria.

2. Board Committees

As advised by the Board, during the tenure of office, you will be required to serve on one or more committees of the Board established by the Company. Upon your appointment to any one or more Committees, you will be provided with the appropriate Committee charter which sets out the functions of that Committee.

Currently the Company has four Board-Level Committees, namely:

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee

- **Audit Committee**

The management is responsible for the Company's internal controls and financial reporting process while the statutory auditors are responsible for performing independent audits of the Company's financial statement in accordance with the generally accepted practices and for issuing reports based on such audits. The Board has entrusted the Audit Committee with the responsibility to supervise these processes and thus ensure accurate and timely disclosure that maintain the transparency, integrity and quality of financial control and reporting.

- **Nomination & Remuneration Committee**

The terms of reference of the committee cover evaluation of compensation and benefits for Executive Director(s), Non-Executive Director (s), framing of policies and system of Employee Stock Option Scheme and looking after the issues relating to HR policies.

- **Stakeholders Relationship Committee**

This committee has a mandate to review and redress shareholder queries and grievances.

- **Corporate Social Responsibility Committee**

The purpose of the CSR Committee is to implement the CSR initiatives of the Company.

You have been nominated to serve as Chairman on the Stakeholders Relationship Committee.

The Board may reconstitute the composition of any / all Committees from time to time and any such change shall be promptly communicated to you. In such an event you may also be required to serve on other Committees of the Board.

3. Training of the Board

Every new independent director on the Board attends an orientation program. Presentations are made by executive director / senior managerial personnel. The presentations cover an overview of our strategy and operations to familiarize the new inductees about the strategy, operations and functions of our Company. The induction program will provide an opportunity to interact with the senior leadership of the company and help the inductees understand the company's strategy, operations, service and product offerings, markets, organization structure, finance, HR, IT, quality, facilities and risk management.

The Company shall, as may be required, support directors to continually update their skills and knowledge and improve their familiarity with the Company and its business. The Company will fund /arrange for training on all matters which are common to the whole Board.

4. GATI Code of Conduct

As an independent director of Company, you agree to comply with the GATI Code of Conduct for Non-Executive Directors (NEDs). For your reference, the Code of Conduct for NEDs is outlined below:



- Non-Executive Directors of the Company will always act in the interest of the Company and ensure that any other business or personal association which they may have, does not involve any conflict of interest with the operations of the Company and his / her role therein.
- Non-Executive Directors will comply with all applicable laws and regulations of all relevant regulatory and other authorities as may be applicable to such directors in their individual capacities.
- Non-Executive Directors will safeguard the confidentiality of all information received by them by virtue of their position.

Unless specifically authorised by the Company, you shall not disclose company and business information to public constituencies such as the media, the financial community, agents, franchises, dealers, distributors etc.

Your obligation of confidentiality shall survive termination or cessation of your directorship with the Company.

We would also like to draw your attention to the applicability of both the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the GATI Code of Conduct on Prevention of Insider Trading Policy, prohibiting disclosure or use of unpublished price sensitive information.

Additionally, you shall not participate in any business activity which might impede the application of your independent judgement in the best interest of the Company.

All Directors are required to sign a confirmation of acceptance of the GATI code of conduct on annual basis.

5. Functions, Responsibilities and Duties of Directors

- **Functions:**

The independent directors 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) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- d) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;

- 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.

• **Responsibilities:**

An independent director shall:

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

Duties :

The independent directors shall—

- a) undertake appropriate induction and regularly update and refresh their 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 he is a member;

- d) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- e) strive to attend the general meetings of the company;
- f) 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;
- g) keep themselves 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 themselves that the same 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 his authority, assist 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.

You shall abide by the Code for Independence Directors as outlined in Schedule IV to section 149 (8) of the Act and duties of directors as provided in the Act including section 166 (outlines the duties of directors) and in clause 49 of the Listing Agreement.

6. Remuneration

Subject to the limits provided under the laws/regulations, as an Independent Director you shall be paid a sitting fee for attending the meetings of the Board and the Committees of which you are a member.

The current structure of sitting fees is as follows:

- Board Meeting - INR 50,000 per meeting
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- Other Committee Meetings - INR 20,000 per meeting

In addition to the sitting fees, profits related commission may also be payable to you. In determining the amount of this commission, the nomination and remuneration committee/Board

of directors may consider various factors as disclosed in the remuneration policy. An indicative list of factors that may be considered are as follows:

- Attendance at Board Meetings
- Attendance at Committee Meetings
- Chairmanship of the Board
- Chairmanship at the Committee
- Contributions at Board and Committee Meetings
- Guidance and support provided to the senior management of the company outside Board meetings
- Industry Practices
- Performance Evaluation and
- Performance of the Company

In addition to the above, you will be entitled to reimbursement of such fair and reasonable expenditure, as may have been incurred by you while performing your role as independent director of the Company. This could include reimbursement of expenditure incurred by you for attending Board / Committee meetings, Annual General Meetings, Extraordinary General Meetings, site visits, induction and training (organised by the Company for Directors) and in obtaining, subject to prior consultation of with the Board, professional advice from independent advisors in the furtherance of your duties as an Independent Director.

7. Insurance

The company takes an appropriate Directors' and Officers' Liability Insurance Policy and pays the 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. A copy of the policy document will be supplied on request.

8. Disclosures, other directorship and business interest

During the term, you agree to promptly notify the Company of any change in your directorship, and provide such other disclosures and information as may be required under the applicable laws. You also agree that upon becoming aware of any potential conflict of interest with your position as independent director of the Company, you shall promptly disclose the same to the Chairman or the Company secretary.

During your term, you agree to promptly provide a declaration under section 149 (7) of the Companies Act, 2013 upon any change in circumstances which may affect your status as an Independent Director.

9. Disclosures, other directorship and business interest

During the term, you shall promptly intimate the Company Secretary in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

10. Mechanism for evaluating Board Members

As a member of the Board, your performance as well as the performance of the entire Board and its Committees shall be evaluated annually. Evaluation of each director shall be done by all the



other directors. The criteria for evaluation shall be determined by the Nomination and Remuneration Committee and disclosed in the Company's Annual Report. However the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committee. An indicative list of factors that may be evaluated as part this exercise is:

- Participation and contribution by a director
- Commitment (including guidance provided to the senior management outside Board / Committee meetings)
- Effective deployment of knowledge and expertise
- Effective management of relationship with stakeholders
- Integrity and maintenance of confidentiality
- Independence of behaviour and judgement and
- Impact and influence

11. Termination

Your directorship on the Board of the Company shall terminate or cease in accordance with laws/regulations. Apart from the grounds of termination as specified in the Act, your directorship may be terminated for violation of any provision of the Gati Code of Conduct as applicable to Independent directors.

You may resign from the directorship of the Company by giving a notice in writing to the Board of the Company stating the reasons for resignation. The resignation shall take effect from the date on which the notice is received by Company or date if any, specified by you in the notice, whichever is later.

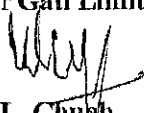
If at any stage during the Term, there is a change that may affect your status as an independent director as envisaged in section 149(6) of the Companies Act, 2013 or, if applicable, you fail to meet the criteria for "Independence" under the provisions of clause 49 of the Listing Agreement, you agree to promptly take appropriate measures including submission of resignation to the Company with effect from the date of such change.

It is a pleasure to have you on Board. We are confident that your association, expertise and advice will immensely benefit the Company and the Board.

We request you to kindly confirm your acceptance of the terms of appointment by signing and returning the enclosed copy of this letter.

We thank you for your continued support and commitment to the Company.

Yours Sincerely,
For Gati Limited


K.L. Chugh
Chairman
DIN: 00140124



August 6, 2014

Mr. P N Shukla
161, Samrat Ashoka Housing Society,
Plot no.6, Sector 18 A, Dwarka
New Delhi – 110078.

Dear Shukla,

We thank you for your confirmation to Gati Limited (the "Company") that you meet the "independence" criteria as envisaged in section 149 (6) of the Companies Act, 2013 ("Act") and clause 49 of the Listing Agreement and also for your consenting to hold office as director of the Company.

We are pleased to confirm that, the shareholders of the Company in their Annual General Meeting held on August 5, 2014 (AGM) have approved your appointment as Independent Director of the Company.

This letter sets out the terms of your appointment as an Independent Director.

The terms of your appointment, as set out in this letter, are subject to the extant provisions of the (i) applicable laws/regulations, including the Companies Act, 2013 ("Act"), and clause 49 of the Listing Agreement (as amended from time to time) and (ii) Articles of Association of the Company ("AOA") (hereinafter collectively referred to as laws/regulations).

1. Appointment

In accordance with the laws/regulations, you will serve as an Independent Director on the Board for a tenure of 5 years from the date of AGM. Your appointment / re-appointment is subject to the approval of the shareholders and laws/regulations and your reappointment will be based on the outcome of the performance evaluation process and you continuing to meet the independence criteria.

2. Board Committees

As advised by the Board, during the tenure of office, you will be required to serve on one or more committees of the Board established by the Company. Upon your appointment to any one or more Committees, you will be provided with the appropriate Committee charter which sets out the functions of that Committee.

Currently the Company has four Board-Level Committees, namely:

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee

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- **Audit Committee**
The management is responsible for the Company's internal controls and financial reporting process while the statutory auditors are responsible for performing independent audits of the Company's financial statement in accordance with the generally accepted practices and for issuing reports based on such audits. The Board has entrusted the Audit Committee with the responsibility to supervise these processes and thus ensure accurate and timely disclosure that maintain the transparency, integrity and quality of financial control and reporting.
- **Nomination & Remuneration Committee**
The terms of reference of the committee cover evaluation of compensation and benefits for Executive Director(s), Non-Executive Director (s), framing of policies and system of Employee Stock Option Scheme and looking after the issues relating to HR policies.
- **Stakeholders Relationship Committee**
This committee has a mandate to review and redress shareholder queries and grievances.
- **Corporate Social Responsibility Committee**
The purpose of the CSR Committee is to implement the CSR initiatives of the Company.

You have been nominated to serve as Member of the Audit and Nomination & Remuneration Committee.

The Board may reconstitute the composition of any / all Committees from time to time and any such change shall be promptly communicated to you. In such an event you may also be required to serve on other Committees of the Board.

3. Training of the Board

Every new independent director on the Board attends an orientation program. Presentations are made by executive director / senior managerial personnel. The presentations cover an overview of our strategy and operations to familiarize the new inductees about the strategy, operations and functions of our Company. The induction program will provide an opportunity to interact with the senior leadership of the company and help the inductees understand the company's strategy, operations, service and product offerings, markets, organization structure, finance, HR, IT, quality, facilities and risk management.

The Company shall, as may be required, support directors to continually update their skills and knowledge and improve their familiarity with the Company and its business. The Company will fund /arrange for training on all matters which are common to the whole Board.

4. GATI Code of Conduct

As an independent director of Company, you agree to comply with the GATI Code of Conduct for Non-Executive Directors (NEDs). For your reference, the Code of Conduct for NEDs is outlined below:



- Non-Executive Directors of the Company will always act in the interest of the Company and ensure that any other business or personal association which they may have, does not involve any conflict of interest with the operations of the Company and his / her role therein.
- Non-Executive Directors will comply with all applicable laws and regulations of all relevant regulatory and other authorities as may be applicable to such directors in their individual capacities.
- Non-Executive Directors will safeguard the confidentiality of all information received by them by virtue of their position.

Unless specifically authorised by the Company, you shall not disclose company and business information to public constituencies such as the media, the financial community, agents, franchises, dealers, distributors etc.

Your obligation of confidentiality shall survive termination or cessation of your directorship with the Company.

We would also like to draw your attention to the applicability of both the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the GATI Code of Conduct on Prevention of Insider Trading Policy, prohibiting disclosure or use of unpublished price sensitive information.

Additionally, you shall not participate in any business activity which might impede the application of your independent judgement in the best interest of the Company.

All Directors are required to sign a confirmation of acceptance of the GATI code of conduct on annual basis.

5. Functions, Responsibilities and Duties of Directors

- **Functions:**

The independent directors 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) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- d) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;

- 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;
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• **Responsibilities:**

An independent director shall:

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

Duties :

The independent directors shall—

- a) undertake appropriate induction and regularly update and refresh their 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 he is a member;

- d) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- e) strive to attend the general meetings of the company;
- f) 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;
- g) keep themselves 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 themselves that the same 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 his authority, assist 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.

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6. Remuneration

Subject to the limits provided under the laws/regulations, as an Independent Director you shall be paid a sitting fee for attending the meetings of the Board and the Committees of which you are a member:

The current structure of sitting fees is as follows:

- Board Meeting - INR 50,000 per meeting
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In addition to the sitting fees, profits related commission may also be payable to you. In determining the amount of this commission, the nomination and remuneration committee/Board



5

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of directors may consider various factors as disclosed in the remuneration policy. An indicative list of factors that may be considered are as follows:

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- Performance Evaluation and
- Performance of the Company

In addition to the above, you will be entitled to reimbursement of such fair and reasonable expenditure, as may have been incurred by you while performing your role as independent director of the Company. This could include reimbursement of expenditure incurred by you for attending Board / Committee meetings, Annual General Meetings, Extraordinary General Meetings, site visits, induction and training (organised by the Company for Directors) and in obtaining, subject to prior consultation of with the Board, professional advice from independent advisors in the furtherance of your duties as an Independent Director.

7. Insurance

The company takes an appropriate Directors' and Officers' Liability Insurance Policy and pays the 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. A copy of the policy document will be supplied on request.

8. Disclosures, other directorship and business interest

During the term, you agree to promptly notify the Company of any change in your directorship, and provide such other disclosures and information as may be required under the applicable laws. You also agree that upon becoming aware of any potential conflict of interest with your position as independent director of the Company, you shall promptly disclose the same to the Chairman or the Company secretary.

During your term, you agree to promptly provide a declaration under section 149 (7) of the Companies Act, 2013 upon any change in circumstances which may affect your status as an Independent Director.

9. Disclosures, other directorship and business interest

During the term, you shall promptly intimate the Company Secretary in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

10. Mechanism for evaluating Board Members

As a member of the Board, your performance as well as the performance of the entire Board and its Committees shall be evaluated annually. Evaluation of each director shall be done by all the



other directors. The criteria for evaluation shall be determined by the Nomination and Remuneration Committee and disclosed in the Company's Annual Report. However the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committee. An indicative list of factors that may be evaluated as part this exercise is:

- Participation and contribution by a director
- Commitment (including guidance provided to the senior management outside Board / Committee meetings)
- Effective deployment of knowledge and expertise
- Effective management of relationship with stakeholders
- Integrity and maintenance of confidentiality
- Independence of behaviour and judgement and
- Impact and influence

11. Termination

Your directorship on the Board of the Company shall terminate or cease in accordance with laws/regulations. Apart from the grounds of termination as specified in the Act, your directorship may be terminated for violation of any provision of the Gati Code of Conduct as applicable to Independent directors.

You may resign from the directorship of the Company by giving a notice in writing to the Board of the Company stating the reasons for resignation. The resignation shall take effect from the date on which the notice is received by Company or date if any, specified by you in the notice, whichever is later.


If at any stage during the Term, there is a change that may affect your status as an independent director as envisaged in section 149(6) of the Companies Act, 2013 or, if applicable, you fail to meet the criteria for "Independence" under the provisions of clause 49 of the Listing Agreement, you agree to promptly take appropriate measures including submission of resignation to the Company with effect from the date of such change.

It is a pleasure to have you on Board. We are confident that your association, expertise and advice will immensely benefit the Company and the Board.

We request you to kindly confirm your acceptance of the terms of appointment by signing and returning the enclosed copy of this letter.

We thank you for your continued support and commitment to the Company.

Yours Sincerely,
For Gati Limited


K.L. Chugh
Chairman
DIN: 00140124



August 6, 2014

Ms. Sheela Bhide
B-1/8 Vasant Vihar,
New Delhi -110057

Dear Sheela,

We thank you for your confirmation to Gati Limited (the "Company") that you meet the "independence" criteria as envisaged in section 149 (6) of the Companies Act, 2013 ("Act") and clause 49 of the Listing Agreement and also for your consenting to hold office as director of the Company.

We are pleased to inform you that the Board of Directors of the Company at its meeting held on August 6, 2014 approved your appointment as an Additional Director (Independent) of the Company.

This letter sets out the terms of your appointment as an Independent Director.

The terms of your appointment, as set out in this letter, are subject to the extant provisions of the (i) applicable laws/regulations, including the Act, and clause 49 of the Listing Agreement (as amended from time to time) and (ii) Articles of Association of the Company ("AOA") (hereinafter referred to as laws/regulations).

1. Appointment

In accordance with the laws/regulations, you will hold office till the conclusion of the ensuing Annual General Meeting of the Company ("AGM"), wherein your appointment will be placed in the AGM for approval for such term as permitted under the laws / regulations.

2. Board Committees

As advised by the Board, during the tenure of office, you will be required to serve on one or more committees of the Board established by the Company. Upon your appointment to any one or more Committees, you will be provided with the appropriate Committee charter which sets out the functions of that Committee.

Currently the Company has four Board-Level Committees, namely:

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee

The Board may reconstitute the composition of any / all Committees from time to time and any such change shall be promptly communicated to you. In such an event you may also be required to serve on other Committees of the Board.

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3. Training of the Board

Every new independent director on the Board attends an orientation program. Presentations are made by executive director / senior managerial personnel. The presentations cover an overview of our strategy and operations to familiarize the new inductees about the strategy, operations and functions of our Company. The induction program will provide an opportunity to interact with the senior leadership of the company and help the inductees understand the company's strategy, operations, service and product offerings, markets, organization structure, finance, HR, IT, quality, facilities and risk management.

The Company shall, as may be required, support directors to continually update their skills and knowledge and improve their familiarity with the company and its business. The Company will fund /arrange for training on all matters which are common to the whole Board.

4. GATI Code of Conduct

As an independent director of Company, you agree to comply with the GATI Code of Conduct for Non-Executive Directors (NEDs). For your reference, the Code of Conduct for NEDs is outlined below:

- Non-Executive Directors of the Company will always act in the interest of the Company and ensure that any other business or personal association which they may have, does not involve any conflict of interest with the operations of the Company and his / her role therein.
- Non-Executive Directors will comply with all applicable laws and regulations of all relevant regulatory and other authorities as may be applicable to such directors in their individual capacities.
- Non-Executive Directors will safeguard the confidentiality of all information received by them by virtue of their position.

Unless specifically authorised by the Company, you shall not disclose company and business information to public constituencies such as the media, the financial community, agents, franchises, dealers, distributors etc.

Your obligation of confidentiality shall survive termination or cessation of your directorship with the Company.

We would also like to draw your attention to the applicability of both the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the GATI Code of Conduct on Prevention of Insider Trading Policy, prohibiting disclosure or use of unpublished price sensitive information.

Additionally, you shall not participate in any business activity which might impede the application of your independent judgement in the best interest of the Company.

All Directors are required to sign a confirmation of acceptance of the GATI code of conduct on annual basis.



5. Functions, Responsibilities and Duties of Directors

• Functions:

The independent directors 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) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- d) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- 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.

• Responsibilities:

An independent director shall:

- a) uphold ethical standards of integrity and probity;
- b) act objectively and constructively while exercising his duties;
- c) exercise his responsibilities in a bona fide manner in the interest of the company;
- d) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- e) 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;
- f) 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;
- g) refrain from any action that would lead to loss of his independence;



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- h) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- i) assist the company in implementing the best corporate governance practices.

• **Duties :**

The independent directors shall—

- a) undertake appropriate induction and regularly update and refresh their 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 he is a member;
- d) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- e) strive to attend the general meetings of the company;
- f) 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;
- g) keep themselves 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 themselves that the same 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 his authority, assist 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.

You shall abide by the Code for Independence Directors as outlined in Schedule IV to section 149 (8) of the Companies Act, 2013 and duties of directors as provided in the Companies Act, 2013 including section 166 and in clause 49 of the Listing Agreement.



6. Remuneration

Subject to the limits provided under the laws/regulations, as an Independent Director you shall be paid a sitting fee for attending the meetings of the Board and the Committees of which you are a member:

The sitting fees currently payable are as follows:

- Board Meeting - INR 50,000 per meeting
- Audit Committee Meeting - INR 30,000 per meeting
- Other Committee Meetings - INR 20,000 per meeting

In addition to the sitting fees, profits related commission may also be payable to you. In determining the amount of this commission, the nomination and remuneration committee/Board of directors may consider various factors as disclosed in the remuneration policy. An indicative list of factors that may be considered are as follows:

- Attendance at Board Meetings
- Attendance at Committee Meetings
- Chairmanship of the Board
- Chairmanship at the Committee
- Contributions at Board and Committee Meetings
- Guidance and support provided to the senior management of the company outside Board meetings
- Industry Practices
- Performance Evaluation and
- Performance of the Company

In addition to the above, you will be entitled to reimbursement of such fair and reasonable expenditure, as may have been incurred by you while performing your role as independent director of the Company. This could include reimbursement of expenditure incurred by you for attending Board / Committee meetings, Annual General Meetings, Extraordinary General Meetings, site visits, induction and training (organised by the Company for Directors) and in obtaining, subject to prior consultation of with the Board, professional advice from independent advisors in the furtherance of your duties as an Independent Director.

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The company takes an appropriate Directors' and Officers' Liability Insurance Policy and pays the 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. A copy of the policy document will be supplied on request.

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During the term, you agree to promptly notify the Company of any change in your directorship, and provide such other disclosures and information as may be required under the applicable laws. You also agree that upon becoming aware of any potential conflict of interest with your position as independent director of the Company, you shall promptly disclose the same to the Chairman or the Company secretary.

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- Independence of behaviour and judgement and
- Impact and influence

11. Termination

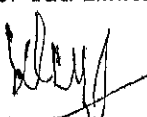
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You may resign from the directorship of the Company by giving a notice in writing to the Board of the Company stating three reasons for resignation. The resignation shall take effect from the date on which the notice is received by Company or date if any, specified by you in the notice, whichever is later.

If at any stage during the Term, there is a change that may affect your status as an independent director as envisaged in section 149(6) of the Companies Act, 2013 or, if applicable, you fail to meet the criteria for "Independence" under the provisions of clause 49 of the Listing Agreement, you agree to promptly take appropriate measures including submission of resignation to the Company with effect from the date of such change.

It is a pleasure to have you on Board. We are confident that your association, expertise and advice will immensely benefit the Company and the Board.

Yours Sincerely,
For Gati Limited


K.L. Chugh
Chairman
DIN: 00140124