

POLICY ON APPOINTMENT OF DIRECTORS

INTRODUCTION

The Nomination and Remuneration Committee of Directors (“NRC”) has formulated this Policy on Appointment of Directors” (the “Policy”), and at its meeting held on 30th July 2019, approved this Policy for recommending the same for the approval of Board of Directors (the “Board”). Upon such recommendation, the Board at its meeting held on 07th August 2019 has approved this Policy.

OBJECTIVE

Shreyas Shipping & Logistics Limited (hereinafter referred as Shreyas or company) recognizes that a committed, well-balanced Board creates a culture of leadership to provide long term vision, ensure governance as well as protect the interest of all stakeholders. In order to ensure that the Board can discharge its duties and responsibilities effectively, the company needs an optimum combination of individuals who have special knowledge or practical experience and ability to guide the company towards achieving its stated goals and strategic objectives. Shreyas also recognizes the importance of Independent Directors for bringing objectivity and independent judgments to the Board discussions. The primary objective of the Policy is to provide a framework, set out the criteria and other standard based on which candidate may be evaluated for appointment or re-appointment as Director on the Board of the Shreyas.

The following is the core skills/expertise/competencies as required in the context of its business (es) and sector(s) for it to function effectively:

- i) Knowledge-understanding the Company’s business policies and culture (including its vision, mission, values, goals, current strategic plan, governance structure, major risks and threats and potential opportunities) and knowledge of the industry in which the company operates.
- ii) Strategic thinking and decision making
- iii) Financial skills
- iv) Technical/ Professional skills and specialised knowledge to assist the ongoing aspects of the business.

The NRC of the Board has been constituted to inter-alia identify persons who are qualified to become directors on the Board, considering inter-alia the following factors while recommending appointment of Director on the Board of the company:

1. Relevant qualification, skills and experience of the existing Board of Directors
2. Mix of Executive, Non-Executive and Independent Directors
3. The optimum size of the Board commensurate with the size of Board’s operations and complexity;
4. Gender diversity etc. with at least one Independent women director

PROCESS FOR APPOINTMENT /RE-APPOINTMENT OF DIRECTOR

1. The NRC shall identify persons who are qualified to become Directors on the Board of the company.
2. Prior to recommending a candidate for appointment/ re-appointment on the Board, the NRC shall consider following factors for evaluation:
 - a. The proposed candidate shall not be below the age of twenty-one years or such other age as prescribed by law or under regulations or by any other applicable statutory authority from time to time.
 - b. The company shall not appoint or continue the employment of any person as managing director; whole time director or manager who has attained the age of seventy years;
Further the appointment of the person who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person; [Provided further that where no such special resolution is passed but votes cast in favour of the motion exceed the votes, if any, cast against the motion and the Central Government is satisfied, on an application made by the Board, that such appointment is most beneficial to the company, the appointment of the person who has attained the age of seventy years may be made.] or any condition as prescribed by law from time to time.
 - c. The age of retirement for a non-executive shall be seventy-five years. Further the company shall not appoint a person or continue the directorship of a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.
 - d. The candidate shall possess special knowledge and/ or practical experience in any of the following fields: accountancy, shipping, banking, economics, finance, law, public administration, information technology, human resources, risk management, business management or any other field of expertise as deemed appropriate for the business from time to time.
 - e. The candidate shall be able to devote sufficient time and attention required to properly discharge his/her fiduciary duties in his capacity as the director of the Company.
 - f. The candidate should not be disqualified to become a director under the Companies Act, 2013 and the rules thereunder, the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and such other applicable laws, as may be amended, replaced, substituted, re-enacted from time to time (collectively "Applicable Laws").

recommend removal of executive directors, key managerial personnel and senior management;

8. Moderate and arbitrate in the interest of the company in situations of conflict between management and shareholder's interest.

Duties of Independent Director:

The Independent Directors shall-

1. Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
2. Seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
3. Strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
4. Participate constructively and actively in the committees of the Board in which they are chairpersons or members;
5. Strive to attend the general meetings of the company;
6. Where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
7. Keep themselves well informed about the company and the external environment in which it operates;
8. Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board; 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;
9. 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;
10. Report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
11. Acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
12. 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.

REMUNERATION

The Non-Executive and Independent Directors shall be paid sitting fees for attending the meetings of the Board and the Committees of which they are members. The sitting fees payable shall be determined by the Board from time to time and shall be within the limits prescribed by the Companies Act, 2013 and Rules framed thereunder.

ANNUAL AFFIRMATIONS FOR CONTINUING AS DIRECTORS

Shreyas shall, at the end of every financial year, obtain not later than 30th April, necessary declaration reflecting the position as on 31st March from the existing directors.

Based on the information obtained from aforesaid declarations/ confirmations and evaluation of the eligibility criteria set out in this Policy, the NRC or the Board, as the case may be, shall decide whether the directors continue to fulfil the criteria of being fit and proper.

INSURANCE

The Company will take an appropriate Directors' and Officers' Liability Insurance policy and pay the premium for the same. It is intended to maintain such insurance cover for the Term of their appointment, subject to the terms of such policy in force from time to time.

DISCLOSURES IN OTHER DIRECTORSHIPS AND BUSINESS INTERESTS

The Directors to agree to promptly notify the Company of any change in their directorships and provide such other disclosures and information as may be required under the applicable laws. During their Term, they agree to promptly provide a declaration under Section 149(7) of the 2013 Act, upon any change in circumstances which may affect their status as an Independent Director.

CHANGE IN PERSONAL DETAILS:

The Director shall notify the Company in case of change in personal details e.g. Residential Address, Contact Details etc.

FAMILIARISATION PROGRAMME

Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, requires a company to provide suitable training to its independent directors to familiarize them inter-alia with the company, their roles, rights, responsibilities in the company, nature of industry in which the company operates and the business of the company.

Accordingly, in order to familiarize the company's Non-Executive Directors (NEDs) including independent directors with their functioning and the roles, responsibilities, etc., the company may undertake the following:

1. The newly appointed NEDs shall be provided with a copy of the Memorandum and Articles of Association, all the applicable codes, policies, etc. formulated and adopted by the Bank.



2. An orientation/ overview of the company's business, services and functions may be provided.
3. The newly appointed NEDs may also be introduced to certain key members of the senior management of the company.
4. A detailed briefing on the roles and responsibilities of Independent Directors shall also be provided to the independent directors as part of their appointment letters

AUTHORITY TO NRC

The NRC shall be authorized to undertake any action / step required to be taken to comply with the requirements prescribed under the Applicable Laws.

REVIEW

This policy may be amended, modified, supplemented or substituted from time to time to ensure compliance with the Applicable Laws.

The NRC may issue/ implement such guidelines, procedures, formats and/or reporting mechanisms to implement this policy as it may deem fit.

LAWS TO TAKE PRECEDENCE:

If any of the provisions of this Policy are inconsistent with the Applicable Laws, then the provisions of Applicable Laws shall prevail over the Policy to that extent and the Policy shall be deemed to have been amended, to be read in consonance with Applicable Laws. As this Policy is pursuant to the Applicable Laws, if any change to Applicable Laws, or interpretation thereof necessitates any change to the Policy, then this policy shall be read to accommodate the changes.
