

## **TERMS AND CONDITIONS FOR APPOINTMENT OF DIRECTORS**

### **I. Duration of Appointment:**

The appointment of all directors by the Board except for directors appointed under section 161(3) of the Act shall be upto the date of the next Annual General Meeting and shall be subject to approval of shareholders at the Annual General Meeting unless approved by the shareholders earlier.

The Executive Directors shall be appointed for a term of upto 5 years.

The Independent Directors appointed under the provisions of the Companies Act, 1956 will serve the term in office as Director per the respective resolutions pursuant to which they were appointed. The Independent Directors appointed after April 1, 2014 under the provisions of the Companies Act, 2013 shall hold office for a term upto 5 years for two consecutive terms on the Board of the Company.

Independent Directors shall not hold office for more than 2 consecutive terms. Each such term may be of 5 years or less. After expiry of the 2 terms, the Independent Director would be eligible for appointment only after expiry of 3 years from ceasing to being an Independent Director.

### **II. Remuneration:**

All remuneration / fees / compensation, payable to directors shall be fixed by the Board of Directors and payment of such remuneration fees / compensation shall require approval of shareholders in general meeting except for sitting fee payable to Non-Executive /Independent Directors for attending the Board / Committee meeting.

The Company will reimburse the Directors for all direct and indirect expenses such as toll calls, accommodation and travelling expenses, reasonably and properly incurred and documented.

### **III. Duties of Directors:**

A. The directors shall be abide by the following duties provided in section 166 of the Companies Act, 2013:

- a. Subject to the provisions of the Companies Act 2013, the directors shall act in accordance with the Articles of Association of the company
- b. Directors shall act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
- c. Directors shall exercise duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- d. Directors shall not involve in a situation in which they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- e. The directors shall not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal of that gain to the Company.

- f. The Directors shall not assign their office and any assignment so made shall be void.
- B. Further, Independent Directors shall have to ensure the following in compliance with Schedule IV read with section 149(8) of the Act.
- 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 they are 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 behavior, actual or suspected fraud or violation of the company's code of conduct;
  - l. acting within their 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;

- n. Shall maintain professional conduct and abide by the role, responsibilities and other provisions set out in schedule IV of the Companies Act, 2013 pursuant to section 149(8) of the Act.

#### IV. FAMILIARIZATION PROGRAMME

##### I. Overview

The Company shall provide suitable training to Independent Directors to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc.

##### II. Familiarization Process:

###### a. Induction Manual:

At the time of appointment, the Directors are provided with Induction Manual covering various aspects such as background, details of Board members, shareholding pattern, Company Policies, Code of Conduct, operations reports, presentations etc. which enables them to be conversant with the structure and operations of the Company.

###### b. Off-site visits:

The Directors get the opportunity to visit the Company's ships, vessels, ports & terminals to familiarize them with the Company's operations.

###### c. On Going Training Programme:

On an ongoing basis training will be provided to directors to update on developments in industry, technology and statutory, regulatory, economic environment, new accounting policies, corporate governance developments, etc. Specific training requirements of directors will also be met depending on the role and responsibilities they have to take up in the Company and the performance evaluation. Training will be imparted to directors through participation in conferences, seminars and workshops. The Company may also organize for training programmes conducted by internal / external faculty.

##### V. Performance Evaluation

The Board will annually evaluate its performance through a self-evaluation process. The evaluation identifies enhancements to director skill sets and ensures that board members are performing to expectations.

The Nomination & Remuneration Committee will annually oversee a review of the Board's performance, which shall include a self-evaluation by the Board, and will discuss the results of this review with the full Board following the end of each fiscal year.