

ESSAR SHIPPING LIMITED

DOCUMENT RETENTION AND ARCHIVAL POLICY

1. Background

The Securities and Exchange Board of India (“SEBI”), vide its Notification dated September 2, 2015, issued the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). The Listing Regulations come into force from December 1, 2015. The Listing Regulations mandate listed entities to formulate a Policy for preservation and archiving of documents. It is in this context that the Document Retention and Archival Policy (“Policy”) is being framed and implemented.

2. Objective of the policy

This policy inter alia provides for preservation of documents so that records should be kept no longer than the period necessary for the proper conduct of Company business. This policy shall cover all business records of the Company, including written, printed and recorded matter and electronic forms of records. The objective of this Policy is to classify the documents in two categories i.e.

- (i) documents which need to be preserved permanently and
- (ii) documents which need to be preserved for a specific period of time.

3. Policy

The corporate records of Essar Shipping Limited (the “Company”) are important assets. Corporate records include essentially all records, whether paper or in electronic form. A record may be in the form of a memorandum, an e-mail, a contract or a case study and includes computerized desk calendar, an appointment book or an expense record etc.

The law requires the Company to maintain certain types of corporate records either permanently or for a specified period of time. Failure to retain the records could subject the employees and the Company to penalties and fines, cause the loss of rights, obstruct justice, adversely impact potential evidence in a lawsuit, place the Company in contempt of court, or seriously disadvantage the Company in litigation.

The Company expects all employees to fully comply with this Policy, provided that all employees should note the following general exception to any stated destruction schedule:

If an employee has reasons to believe, or the Company informs the employee concerned, that Company records are relevant to litigation, or potential litigation (i.e., a dispute that could result in litigation), then the employee must preserve those records until the Legal or Respective Department determines that the records are no longer needed. This exception supersedes any previously or subsequently established destruction schedule for those records. If an employee(s) believe that exception may apply, or has any question regarding the possible applicability of that exception, he/she may contact the Office of Group General Counsel.

The Company, from time to time establishes retention or destruction policies or schedules for specific categories of records in order to ensure legal compliance, and also to accomplish other objectives, such as preserving intellectual property. While minimum retention periods are suggested, the retention of the documents identified in those schedules and of documents not included in the identified categories should be determined by the Head of the Department, primarily by the application of the general guidelines affecting document retention identified above, as well as any other pertinent factors.

Broadly, there are two kinds of Company records- **Temporary and Retained**.

TEMPORARY RECORDS

Temporary records include all business documents that are intended to be superseded by final or permanent records, or which are intended to be used only for a limited period of time, including, but not limited to written memoranda and dictation to be typed in the future, reminders, to-do lists, reports, drafts, and interoffice correspondence regarding a client or business transaction.

Temporary records can be destroyed or permanently deleted if in electronic form when a project or matter closes.

Upon closing of such temporary files, the respective departments shall gather and review all such temporary records. Before destroying or deleting these documents make sure to have duplicates of all the final records pertaining to the project or matter. Upon destruction or deletion, organize the final records (and duplicates) in a file marked "Final" and store them appropriately, as required under this Policy.

RETAINED RECORDS

Retained records include all business documents that are not superseded by modification or addition, including but are not limited to documents given (or sent via electronic form) to any third party not employed by the Company, or to any government agency; final memoranda and reports; correspondence; handwritten telephone memoranda not further transcribed; minutes; specifications; journal entries; cost estimates; etc.

CUSTODY OF RECORDS AND THEIR RETENTION SCHEDULE

All documents shall be under the custody of concerned functional head(s). Each Head of the Department shall identify and at all times maintain a schedule of temporary and retained documents.

Records as per the Companies Act, 2013 and SEBI Regulations

The Company shall maintain all records as per the Companies Act, 2013 and SEBI Regulations for not less than 8 (Eight) Years. Documents that are to be made available on the Company's website in Compliance with the SEBI (Listing Regulations and Disclosure Obligations), 2015 will be made available on the website for a period of 5 years and thereafter will be archived for a period of 3 years.

Tax Records

Tax records includes, but are not limited to Documents concerning tax assessment, tax filings, tax returns, proof of deductions, appeal preferred against any claim made by the relevant tax Authorities. Tax Records shall be maintained for a period of 8 or for a period of 8 (Eight) Years after a final Order has been received with respect to any matter which was preferred for Appeal, as the case may be.

Employment /Personnel Record

The Company is required to keep certain documents relating to recruitment, employment and personnel information, performance review, action taken by or against any employee, complaints by or against any employee. These Documents relating to Employment or Personnel information shall be retained for a period of at least 8 (Eight) years.

Press Releases

Press Release shall include, but shall not be limited to, any intimation given to the press regarding financial results, profits, Meetings of the Board, General Meetings, and overall performance of the Company. The Company shall retain all Press Releases for at least 8 years.

Legal Documents

Legal Documents shall include, but shall not be limited to contracts, legal opinions, pleadings, Orders passed by any court or tribunal, Judgments, Interim Orders, Documents relating to cases pending in any Court or Tribunal or any other Authority empowered to give a decision on any matter, Awards, Documents relating to property matters.

A contract shall be retained for a period of 8 (Eight) Years or for 8 (Eight) Years after the expiry of the term of the contract, whichever is higher.

Documents relating to any property owned by the Company shall be retained perpetually. Other property Documents shall be retained for a period of 8 (Eight) Years or for a period of 8 (Eight) Years after the rights in such property ceases to exist, whichever is higher.

Orders passed by any Court or Tribunal or any Authority or Judgment which are final in nature and cannot be superseded shall be retained permanently. Interim Orders shall be retained till a Final Order is received or for a period of 8 (Eight) Years whichever is higher.

Pleadings shall be retained for a period of 8 (Eight) Years or till the matter has been disposed off, whichever is higher.

Marketing and Sales Documents

The Company shall retain relevant marketing and sales Documents for a period of at least 8(Eight) Years.

Intellectual Property Documents and Licenses

Intellectual Property Documents shall include, but shall not be limited to Copyrights, Trademarks, Patents, and Industrial Designs. Intellectual Property Rights Documents that are owned by the Company shall be retained by the Company permanently.

Licenses shall be retained till the time the validity of the License and for a period of 8 (Eight) Years thereafter or for a period of at least 8 (Eight) Years, whichever is higher.

RECORD MAINTENANCE AND STORAGE

All records in physical form are to be maintained by the Records/Respective Department(s) at the respective locations.

Electronic version(s) of all of records are to be maintained within the Company's centralized electronic record software database, which is maintained by the IT Services Department in compliance with the IT Policy of the Essar group.

DISPOSAL OF RECORDS

Physical records disposed of pursuant to the retention periods specified in the Document Retention Schedule shall be disposed of using a cross-cut shredder. The Records Department shall adopt appropriate procedures to permanently dispose of any non-paper physical records, such as photographs or audio/video recordings.

In the event that it is necessary to manually dispose of an electronic record, the IT Department shall use the “permanent delete” function to permanently dispose of electronic records or in compliance with the IT Policy of the group.

HOLD ON RECORD DESTRUCTION AND DELETION

If a lawsuit or other proceeding involving the Company is reasonably foreseeable, all destruction of any possibly relevant documents, including e-mail, must cease immediately. Documents relating to the lawsuit or potential legal issue will then be retained and organized under the supervision of the Group General Counsel’s Office.

Violation of this aspect of the Company’s Document Retention Policy could subject the Company and the employees involved to civil and criminal penalties.

In the event of a Document Hold Direction, the IT Department shall immediately disable the “permanent delete” and “automatic delete” functions of the Company’s software with respect to the designated records and disable the automatic deletion of recycle bins and deleted items folders on appropriate Company computers; the Records Department shall immediately suspend all disposition of records maintained on-site or off-site location as appropriate; and the Group General Counsel’s Office shall immediately notify all appropriate employees by e-mail that they are not to dispose of relevant Temporary Records or other records until notified otherwise.

E-MAIL POLICIES

All electronic communication systems as well as all communications and stored information transmitted, received, or contained on the Company’s information systems are the property of the Company. Employees using this equipment for personal purposes do so at their own risk. Employees have no expectation of privacy in connection with the use of Company equipment or with the transmission, receipt, or storage of information using the Company’s equipment. Authorized Company personnel may access communications and stored information at any time without notice or consent.

Employees should avoid using Company e-mail for personal purposes. Personal e-mails should be deleted as soon as possible. The Company in general has a policy of retaining emails for 3 months.

E-mails relating to audit work papers and financial controls should be retained for at least 8 years.

All emails to the Company’s Officers or Audit Committee relating to complaints on auditing, accounting, frauds or internal controls should be retained as per the IT policy of the group.

Any messages exchanged between the Company and third parties (such as consultants and auditors) should be archived, regardless of their content. Instant messages have the same status as e-mails and should be treated identically.

4. Effective Date and amendments to the Policy

The Policy as approved by the Board of Directors shall be effective from immediate effect. The Chairman and Managing Director with the consent of the Board of Directors are authorized to make such alterations to this Policy as considered appropriate, subject, however, to the condition that such alterations shall be in consonance with the provisions of the Regulation and other applicable laws.

5. Compliance

Failure to comply with this Document Retention Policy may result in disciplinary action. Questions about this policy should be referred to the Office of the Group General Counsel, who is in charge of administering, enforcing and updating this policy