

AMRUT DREDGING AND SHIPPING LIMITED
Corporate Identity Number: U67120GJ1995PLC025194



Formulation of Policy for selection and appointment of Directors and their remuneration

The Nomination and Remuneration Committee discussed and thereafter decided upon the policy for selection of appointment of directors and their remuneration. This policy was adopted by the the Board of Directors. The highlights of this policy are as follows:

1. Objectives

The Nomination and Remuneration Committee (as defined hereinafter) and Nomination and Remuneration Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules, each as amended and Regulation 19 read with Schedule II, Part D (A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Key objectives of this Policy are:

- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a Policy relating to the remuneration;
- To recommend to the Board, the remuneration payable to the Directors, Key Managerial Personnel and where required of other employees on significant position;
- To formulate the criteria for evaluation of performance of Independent Directors and the Board;
- To guide the Board in relation to appointment and removal of the Directors, Key Managerial Personnel and Senior Management Personnel;
- To evaluate the performance of Board and provide necessary report to the Board for further evaluation of the Board;
- To specify the manner for effective evaluation of performance of Board, its Committees and individual Directors to be carried out either by the Board, by the NRC or by an independent external agency;
- To retain and promote talent to ensure long term sustainability of talented managerial persons and create competitive advantage;
- To develop a succession plan for the Board.

2. Definitions:

“Act” means Companies Act, 2013 and the Rules framed thereunder as amended from time to time or secretarial standards issued by the Institute of Company Secretaries of India or any notifications, circulars as may be notified by the Ministry of Corporate Affairs;

“Articles of Association” means the articles of association of a company as originally framed or as altered from time to time or applied in pursuance of any previous company law or of this Act

“Board” means Board of Directors of the Company;

“Committee” means committees of Board as required to be constituted by the Board under the applicable provisions of laws or any other committees constituted by the Board;

“Company” means Amrut Dredging and Shipping Limited;

“Directors” shall mean directors of the Company as may be appointed by the Board and shareholders of the Company;

“Independent Director” means a director referred to in Section 149(6) of the Act and 16(1)(b) of SEBI Regulations and as may be appointed by the Board and shareholders of the Company from time to time in accordance with the applicable provisions of law;

“Key Managerial Personnel” (KMP) means key managerial personnel as defined in 2(51) of the Act and as may be appointed or designated by the Board at the recommendation of the NRC;

“NRC” means the Nomination and Remuneration Committee of the Board as constituted or re-constituted by the Board from time to time;

“Policy” means this Nomination and Remuneration Policy formulated by the Board and as amended from time to time;

“SEBI Regulations” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended;

“Senior Management Personnel” (SMP) means personnel of the Company who are members of its core management team excluding the Board comprising all members of management one level below the executive Directors including the functional heads;

Unless the context otherwise requires, the “words and expressions” used in this Policy and not defined herein but defined in the Act and the Listing Regulations, as may be amended, from time to time, shall have the meaning assigned to them therein.

3. Applicability:

This Policy is applicable to all the Directors, Independent Directors, KMP and such other employees on significant positions as may be determined by the NRC.

4. Role of the Nomination and Remuneration Committee:

The role and scope of the NRC shall be as follows:

- To formulate criteria for determining qualifications, positive attributes and independence of a person for appointment as director for recommendation to the Board;

- To identify persons who are qualified to become director and persons who may be appointed in key managerial personnel and senior management positions in accordance with the criteria laid down in this Policy and recommend to the Board for their appointment and removal.
- To formulate a criteria for evaluation of performance of Independent Directors and the Board of Directors;
- To specify the manner for effective evaluation of performance of Board, its Committees, chairperson and vice-chairperson of the Board and whether such evaluation is to be carried out either by the Board, by NRC or by an independent external agency, and review implementation and compliance with such evaluation requirements;
- To devise a Policy on diversity of Board of Directors;
- To consider whether to extend or continue the term of appointment of the Independent Director;
- To identify and ascertain the integrity, qualification, expertise and experience of a person for appointment as Director, Key Managerial Personnel or at Senior Management level;
- To recommend to the Board on aspects of remuneration of the Directors, Independent Directors, KMP and all remuneration, in whatever form, payable to Senior Management Personnel;
- To develop a succession plan for the Board;
- To review that the Company do not appoint or continue the employment of any person as -
 - a managing director, whole-time director or manager who has attained the age of seventy (70) years, provided however, that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on explanatory statement indicating the justification for extension of appointment beyond seventy years;
 - a non-executive director who has attained the age of seventy-five (75) years unless a special resolution is passed to that effect, based on explanatory statement indicating the justification for appointment of such a person
- To consider the term/tenure of appointment of managing director/ whole-time director which shall be subject to the provisions of the Act including any modifications, amendments, enactments, re-enactments thereof for the time being in force.

5. **Appointment/ Nomination of Directors, Key Managerial Personnel & Senior Management**

- **Appointment criteria and Qualification of Directors**

The Director shall possess appropriate skills, experience and knowledge in one or more fields of chemicals, corporate strategy, technology, research, marketing, risk management, corporate governance, technical operations or other disciplines related to the Company's business. The Director shall fulfil the requirements of Company's Policy on fit and proper criteria for directors and shall be appointed and hold position in accordance with the Act and Articles of Association of the Company.

- **Tenure of Independent Directors:**

An Independent Director shall hold office for a term up to five (5) consecutive years on the Board and will be eligible for re-appointment subject to the provisions of the Act.

No Independent Director shall however hold office for more than two (2) consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three (3) years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three (3) years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director, it should be ensured that number of board of directors on which such Independent Director serves, is restricted to the limits prescribed under the Act and SEBI Regulations.

- **Independence of Directors:**

The Independent Director shall at the first meeting of the Board in which she/he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect her/his status as an Independent Director, give a declaration that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and Regulation 25 of the SEBI Regulations.

- **Appointment criteria and qualification of Key Managerial Personnel and persons in Senior Management**

A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment, as per Company's requirements and applicable laws

.

6. Evaluation:

The NRC shall specify the manner to carry out effective evaluation of performance of Board as a whole, Committees of Board and individual Directors.

The Directors including Independent Directors shall be evaluated on the basis of the following criteria as indicated below: -

- act objectively and constructively while exercising their duties;
- exercise their responsibilities in a bona fide manner in the interest of the Company;
- devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- do not abuse their position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- refrain from any action that would lead to loss of his independence;
- inform the Board immediately when they lose their independence;
- assist the Company in implementing the best corporate governance practices;
- strive to attend all meetings of the Board and the Committees;
- participate constructively and actively in the Committees of the Board in which they are members;
- strive to attend the Board, Committee and general meetings of the Company;
- keep themselves well informed about the Company and the external environment in which it operates;
- do not unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
- moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest; and
- abide by Company's Memorandum and Articles of Association, Company's policies and procedures including code of conduct, insider trading guidelines etc.

7. Removal:

Due to any reasons for any disqualifications mentioned in the Act or under any other applicable laws, rules and regulations thereunder, the NRC may recommend, to the Board with reasons recorded, removal of a Director, Key Managerial Personnel and Senior Management Personnel subject to the provisions and compliance of the said laws, rules and regulations.

8. Retirement:

The Director, Independent Director, Key Managerial Personnel and Senior Management shall retire as per the applicable provisions of the Act and the prevailing Policy of the Company. The Board will have the discretion to retain the Director, Independent Director,

Key Managerial Personnel and Senior Management in the same position/ remuneration or otherwise, if permitted under the provisions of the Act and the SEBI Regulations or any such applicable law, even after attaining the retirement age, for the benefit of the Company.

9. Remuneration Policy

- The remuneration/compensation etc. to the Director, Key Managerial Personnel and Senior Management shall be determined by the NRC and recommended to the Board for its approval, and the NRC shall observe the provisions of the Act regarding slabs/percentage of remuneration, prior approvals of shareholders, Central Government wherever required, and the conditions laid down in the Act;
- Any increments to be recommended to the Board by the NRC for Director/ Independent Directors shall be in accordance with the percentage/slabs laid under the provisions of the Act;
- The NRC may further recommend any increments to the Board for Key Managerial Personnel and Senior Management;
- Where any insurance is taken by the Company on behalf of its whole-time director, chief executive officer, chief financial officer, company secretary or any other employee for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel;
- If in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its whole-time director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the prior approval of Central Government;
- If any Director draws or receives directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without prior sanction of the Central Government where required, he/she shall refund such sums to the Company and until such sum is refunded holds it in trust for the Company;
- **Sitting Fee:** The Independent/non-executive Director may receive fee for attending meetings of Board or Committees. The amount of such fees shall be decided as per the provisions of the Act and the SEBI Regulations. The amount of sitting fees shall be such as may be recommended by the NRC and approved by the Board.
- **Commission:** The Commission may be paid to the Directors within the limits of the Act.

10. Membership

The NRC shall be formed as per the provisions of the Act and SEBI Regulations, as follows:

- the Committee shall comprise of at least three Directors;
- all Directors of the Committee shall be non-executive Directors; and
- at least two-thirds (2/3rd) of the Directors shall be Independent Directors.

The chairperson of the NRC shall be an Independent Director, provided that the chairperson of the Board, whether executive or non-executive, may be appointed as a member of the NRC and shall not chair such Committee.

Members of the NRC shall be disclosed in the annual report of the Company.

Term of the NRC shall be continued unless terminated by the Board.

11. Frequency of the Meetings and Quorum:

The NRC shall meet at least once in a year. The quorum for a meeting of NRC shall be either two (2) members or one third (1/3rd) of the members of the Committee, whichever is greater, including at least one (1) Independent Director in attendance. Further, the chairperson of the NRC may be present at the annual general meeting, to answer the shareholders' queries; however, it shall be up to the chairperson of the general meeting to decide who shall answer the queries.

12. Interests of Members at the Meeting

A member is not entitled to participate in the discussions or be present at the meeting as may be required by the members, when his/her own remuneration is discussed or when his/her performance is being evaluated.

The NRC may invite such executives to be present at the meetings of the NRC as it considers appropriate.

Matters arising for determination of the NRC meetings shall be decided by simple majority of votes of members present and voting and any such decision shall for all purposes deemed a decision of the NRC. In case of equality of the votes, the chairperson of the meeting will have the casting vote.

13. Minutes

Minutes of all meetings shall be signed by the chairperson of the NRC or chairperson of the meeting, in terms of the provisions of the Act.

14. Amendments to the Policy

Any amendment in the Policy shall be approved by the Board. The Board shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding. Any subsequent amendment / modification in the SEBI Regulations and / or any other laws in this regard shall automatically apply to this Policy.

15. Communication:

This Policy shall be uploaded on the website of the Company and the details of this Policy, including the evaluation criteria, shall be mentioned in the annual report of the Company