



Date:

To,

\_\_\_\_\_  
Address:\_\_\_\_\_.

### **Sub.: Appointment as Independent Director**

Dear Sir,

I am pleased to inform you that upon the recommendations of the Board of Directors (the 'Board') of Seven Islands Shipping Limited (the 'Company'), the members of the Company at the \_\_\_\_\_ General Meeting have approved your appointment as an Independent Director of the Company. Accordingly, as required by the Code for Independent Directors contained in the Companies Act, 2013, we issue this letter of appointment for your appointment as an Independent Director.

This letter sets out the terms of your appointment.

#### **Appointment**

1. In accordance with the provisions of the Companies Act, 2013, and other applicable laws, you shall serve as an Independent Director on the Board of the Company for a term of \_\_\_\_ years up to the \_\_\_\_\_ annual general meeting to be held in the year \_\_\_\_\_ w.e.f. \_\_\_\_\_, subject to re-appointment for further period of \_\_\_\_\_ years. Such re-appointment shall be approved by the shareholders of the Company.
2. Your appointment as a Non-Executive Independent Director on the Board of Directors of the Company is subject to the provisions of the Companies Act, 2013.
3. In compliance with the provisions of section 149(13) of the Companies Act, 2013, your directorship is not subject to retirement by rotation.

#### **Board Committees**

1. The Board has constituted Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholder Relationship Committee & IPO Committee as required by the law.
2. As advised by the Board, during the tenure of the office, you may be required to serve on one or more Committees of the Board constituted by the Company.
3. With your appointment, at present the Board has inducted you on the following Committees of the Board:



<b>Sr. No.</b>	<b>Committees</b>	<b>Position</b>
1.		
2.		
3.		

5. The chairperson of the Board, in consultation with the company secretary and the committee chairperson shall determine the frequency of the committee meetings. Recommendations of the committee shall be submitted to the Board for approval. The quorum of the meetings shall be one third of the members of the committee, minimum being two.
6. The Board reserves the right to re-constitute the Committees and you shall be re-inducted on any Committee of the Board as may be required from time to time.

### **Time Commitment**

1. As a Non-Executive Independent Director you are expected to bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective leadership in relation to the Company's strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance.
2. As per Companies Act, 2013, the Board and the Audit Committee shall meet at least four times in a year. Besides, there are other Committee meetings like Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholder Relationship Committee & IPO Committee meetings of which are ordinarily convened as per requirements. You will be expected to attend the meetings of the Board and Committees thereof to which you may be appointed and Shareholders meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively.
3. As an Independent Director, you would also be required to attend a separate meeting of Independent Directors conducted at least one time in a year.

### **Remuneration & Reimbursement of Expenses**

1. As an Independent Director, you are eligible for sitting fees for attending meetings of the Board and Committee thereof as decided by the Board from time to time.
2. The sitting fees presently paid to a Non-Executive Independent Director is Rs. 20,000/- and Rs. 5,000/- per meeting of the Board and Committee respectively.
3. You will have no entitlement to any bonus or employee stock option scheme operated by the Company during the tenure of your appointment on the Board of the Company.



4. All the fees payable shall be subject to income tax and other statutory deductions.
5. In addition to the remuneration described above, the Company will, for the tenure of your appointment, reimburse you for travel, hotel and other incidental expenses incurred by you in the performance of your role and duties. You are requested to submit the memo of expenses incurred by you supported by the required documents to the Company. This shall include accommodation expense and other out of pocket expenses incurred during the days of the meetings.

### **Professional Conduct**

As an Independent Director you are required to abide by the provisions of “Code for Independent Directors” specified in Schedule IV of the Companies Act, 2013 as amended from time to time. Compliance with the Code would inter-alia require you to:

1. Uphold ethical standards of integrity and probity;
2. Act objectively and constructively while exercising your duties;
3. Exercise your duties in a *bona fide* manner in the interest of the Company;
4. Devote sufficient time and attention to your professional obligations for informed and balanced decision-making;
5. Not allow any extraneous considerations that may vitiate your 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;
6. Not abuse your 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;
7. Refrain from any action that could lead to a loss of your independence;
8. Immediately inform the Board of the circumstances arouse/to arise due to which you may lose your independence;
9. Assist the Company in implementing the best corporate governance practices.

### **Functions/Responsibilities and Duties**

#### Functions/ Responsibilities

1. You should constructively challenge and help develop proposals on strategy for growth of the Company;



2. You should scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
3. You should satisfy yourself on the integrity of financial information and that financial controls and systems of risk management are effective and defensible;
4. You are responsible for determining appropriate levels of remuneration of Executive Directors and have a prime role in appointing, and where necessary, removing Executive Directors and in succession planning;
5. You should satisfy yourself on the integrity of financial information and legal compliance and that financial controls are robust and defensible;
6. You should keep governance and compliance with the applicable legislation and regulations under review and the conformity of Company's practices to accepted norms;
7. You should help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, annual financial plan, resources, key appointments and standards of conduct;
8. You should bring an objective view in the evaluation of the performance of the Board and management;
9. You should safeguard the interests of all stakeholders, particularly the minority shareholders;
10. You should 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;
11. You should moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest; and
12. You should advice and counsel the management on various other issues presented by them.

### Duties

Your role and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013. There are certain duties prescribed for all Directors, both Executive and Non- Executive, which are fiduciary in nature and are as under:

1. You shall act in accordance with the Company's Articles of Association as may be amended from time to time.



2. You 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 interest of the Company.
3. You shall discharge your duties with due and reasonable care, skill and diligence.
4. You shall not involve yourself in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
5. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
6. You shall not assign your office as Director and any assignments so made shall be void.
7. You shall undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the Company;
8. You shall strive to attend all meetings of the Board of Directors and its Committees of which you are a member;
9. You shall participate constructively and actively in the meetings of the Board and Committees thereof in which you are chairperson or member;
10. You shall strive to attend the general meetings of the Company;
11. You shall keep yourself well informed about the Company and the external environment in which it operates;
12. You shall pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure yourself that the same are in the interest of the Company;
13. You shall ascertain and ensure that the Company has an adequate and functional vigil mechanism ('whistle blower policy') and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
14. You shall report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct and ethics;
15. You shall not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans and such other information, unless such disclosure is expressly approved by the Board or as required by law.

### **Conflict of Interest**

1. It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to your appointment, you are required to declare any such



directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment.

2. In the event that your circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgement that you are independent, this should be disclosed to both the Chairman and the Company Secretary.
3. Any material interest that you may have in any transaction or arrangement that the Company has entered into should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record your interest appropriately.
4. Please ensure that the Company is kept informed of any changes to your interests from time to time.

### **Confidentiality**

1. All information acquired during your tenure as an Independent Director of the Company is confidential to the Company and should not be released, either during your appointment tenure to third parties without prior clearance from the Chairman unless required by law or any regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by the Company.
2. Your attention is also drawn to the requirements under the applicable regulations and the Company's Insider Trading Code which concern the disclosure of price sensitive information and dealing in the securities of the Company.

### **Information on Meetings**

#### Scheduling and selection of agenda items for Board meetings

The Chairman and Company Secretary of the Company in consultation with the Executive Directors and senior management personnel of the Company shall draft the agenda for each meeting, along with explanatory notes, and distribute it in advance to the Board members. Every Board member is free to suggest the inclusion of items on the agenda.

#### Availability of information to the Board

The Board has full and unfettered access to any information of the Company, and to any employee of the Company. At the Board or Committee meetings, they may invite such senior management personnel of the Company when additional details into the items being discussed are required.

#### Independent directors' discussion



Pursuant to the Companies Act, 2013, there shall be at least one meeting in a year comprising of 'independent directors only' so that they can have full and frank discussion on the performance of the Company, risks faced by the Company, and performance of executive members of the Board including the chairperson. The chairman of this meeting may invite any executive directors or senior management personnel to present detailed information before them on relevant issues.

### **Mechanism for evaluating Board members**

1. The Chairperson of the Nomination and Remuneration Committee shall conduct an annual Board evaluation to assess the performance of the Board as a whole and that of an individual member. Performance is assessed based on clearly defined objective criteria. Performance is measured against commitments and best-in-class benchmarks.
2. The Board of Directors will also carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis as per Company's Policy.

### **Termination**

1. You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice to the Board. In terms of provisions of the Companies Act, 2013, you are required to file a copy of your resignation letter with the Registrar of Companies, Mumbai.
2. Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013 and the Articles of Association of the Company, from time to time in force.
3. Notwithstanding other provisions of this letter, the appointment may be terminated in accordance with the provisions of the Articles of Association of the Company or on failure to meet the parameters of independence as defined in section 149(6) or on the occurrence of any event as defined in section 167 of the Companies Act, 2013.
4. Upon termination or upon your resignation for any reason, duly intimated to the Company, you will not be entitled to any compensation for loss of office.

### **General**

1. You shall advise the company secretary promptly of any change in address or other personal contact details.
2. This Letter and any non-contractual obligations arising out of or in connection with this Letter are governed by, and shall be construed in accordance with, the laws of India, and you and the Company agree to submit to the exclusive jurisdiction of the courts of Mumbai.



3. If there are matters which arise which cause you concern about your role you shall discuss them with the chairman of the Company.
4. Please confirm your agreement to the above by signing and returning the enclosed duplicate of this Letter.

It is pleasure to have you on our Board. I am confident that your association, expertise and advice will immensely benefit the Company and the Board.

Best Regards,  
Yours sincerely,  
For **Seven Islands Shipping Ltd.**,

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**Encl.:**

1. Code of Conduct and Ethics for Board of Directors and Senior Management Group
2. Memorandum of Association
3. Articles of Association