




SEAMEC LIMITED

A member of the 



NOMINATION AND REMUNERATION POLICY

OF

SEAMEC LIMITED

APPROVED BY THE BOARD ON 13TH FEBRUARY 2015



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1. INTRODUCTION

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, and in terms of the provisions of the Companies Act, 2013 and the listing agreement as amended from time to time, this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors.

2. DEFINITIONS

- **“Board”** means Board of Directors of the Company
- **“Directors”** means Directors of the Company
- **“Committee”** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- **“Company”** means SEAMEC Limited.
- **“Independent Director”** means a director referred to in Section 149 (6) of the Companies Act, 2013 read with provisions of the Listing Agreement.
- **“Key Managerial Personnel (KMP)”** means –
 - (i) Chief Executive Officer or Managing Director or the Manager
 - (ii) Whole-Time Director
 - (iii) Chief Financial Officer
 - (iv) Company Secretary
 - (v) Such other officer as may be prescribed under the applicable statutory provisions / regulations.
- **“Senior Management”** means Personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors, including functional heads. Unless the context otherwise requires, words and expressions used in the policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.



3. OBJECTIVE AND PURPOSE OF THE POLICY

The objective and purpose of this policy are:

- To formulate the criteria for determining Qualifications, Positive attributes and Independence of a Director and Key Managerial Personnel.
- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Managerial Personnel.
- To determine remuneration based on Company's size and financial position and trends and practices on remuneration prevailing in Peer Companies, in the Shipping Industry.
- To provide Directors, Key Managerial Personnel and Senior Managers reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

4. APPLICABILITY

The Policy is applicable to:

1. Directors (Executive and Non – Executive)
2. Key Managerial Personnel
3. Senior Management Personnel.

This Policy is divided into 3 parts as follows:-

PART – A: ROLE AND RESPONSIBILITY

The Committees foremost priorities are to ensure that the Company has the best possible leadership and maintains a clear plan for both Executive and Non-Executive Director succession. The Committee also review Senior Management succession. Its prime focus is, therefore, on the strength of the Board and the Senior Management Team and ensuring that appointments are made on merit, against objective criteria, selecting the best candidate for the post. The Committee advises the Board on the appointments, retirements and resignations from the Board and its Committees. It also advises the Board on similar changes to the Senior Management of the Company.

When considering appointments to the Board and its Committees, the Nomination and Remuneration Committee will draw up a specification for the role taking into consideration the balance of skills, knowledge and experience of its existing members, the diversity of the Board and the Company's ongoing requirements. The Company believes that diversity underpins the successful operation on an effective Board and embraces diversity as a means of enhancing the business.



PART – B: POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

Appointment:

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and recommend to the Board his / her appointment.
- The Candidate for a position at KMP or Senior Management level is met by assessment of the candidate on his / her functional and leadership capabilities and cultural fitment to the organization. It need to be ensured that the person possess adequate qualification, expertise, proper attitude and experience for the position he / she is considered for appointment.
- The Managing Director assesses the shortlisted candidates for the position of KMP or Senior Management Level.
- The selected candidate's details and the proposed compensation is shared with the Nomination and Remuneration Committee for their review and suggestions. The same is shared with the Board at the next Board Meeting. The appointment of KMP necessarily to be approved by Board on the recommendation of Nomination and Remuneration Committee.
- Managing Director will be selected by ascertaining the integrity, qualification, expertise, attitude and experience of persons for the appointment as Managing Director.

Term / Tenure:

- The tenure for Directors shall be governed by the terms defined in the Companies Act, 2013.
- The tenure for other KMP and Senior Management Personnel will be governed by Company's HR Policy.

Evaluation:

The Managing Director performs the evaluation of performance of KMP and Senior Management Personnel at regular intervals. Mostly on the yearly basis based on objectives set.

The performance evaluation of Independent Directors shall be done by the Board, excluding the Director being evaluated, Basis of evaluations is as per the contributions made to the Board deliberations on various matters including business strategy, financial strategy, operations, cost and risk management, etc., and potential suggestions given in this regard.



Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of Director, subject to the provisions and compliance of the said Act, rules and regulations.

For other KMP or Senior Management Personnel the removal will be governed by SEAMEC HR Policy and the subsequent approval of the Managing Director.

Retirement:

The Director, KMP or Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Managing Director may recommend to Board to retain KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

PART – C: POLICY RELATING TO THE RENUMERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

Evaluation Process:

- The performance metrics shall be defined by the Nomination and Remuneration Committee for Directors and for other KMP and Senior Management Personnel the metrics shall be determined by the Managing Director.
- A holistic view of the ratings will be reviewed by the Board in relation to Directors and for KMP and Senior Management Personnel be reviewed by the Managing Director. The Managing Director does a qualitative review of the performance based on the efforts put in by the employee, results achieved and impact of the external and internal factors, behavior factors, and attitude to arrive at the Final Rating.
- The revision in the total remuneration is directly linked to the Final Rating for all employees.
- The remuneration, KMP and Senior Management Personnel will be determined by the Managing Director in accordance with the HR Policy, which is based on the Final rating, employee potential and market benchmark compensation. The revised remuneration is shared with the Nomination and Remuneration Committee for review. The final remuneration package of KMP will be reviewed by Committee and noted by Board.



- The ESOP's to KMP and Senior Management Personnel will be determined by the Managing Director as per the ESOP Schemes of the Company read with applicable rules and regulations and recommended to the Committee and the Board for approval in the subsequent Board Meeting.
- The remuneration to the Managing Director shall be subject to the prior / post approval of the Shareholders of the Company and Central Government wherever required and shall be in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder.
- Increments to the existing Remuneration structure of the Managing Director to be evaluated by the Committee and to be recommended to the Board which should be in accordance with the approval of the Shareholders.
- Where any Insurance is taken by the Company on behalf of its Managing Director, Chief Financial Officer, Company Secretary and any other employee including Senior Managerial Personnel 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. Provided that if such person is proved to be guilty, the premium paid on such Insurance shall be treated as part of the remuneration.
- An Independent Director shall not be entitled to any stock option of the Company.

5. MODIFICATION

The Audit Committee or the Board of Directors of the Company can modify this Policy at any time if required. Modification may be necessary, among other reasons, to maintain compliance with the regulations and / or accommodate organizational changes within the Company.