

SHIPPING CORPORATION OF INDIA LAND AND ASSETS LIMITED

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POLICY ON DIVERSITY OF BOARD OF DIRECTORS

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1. PURPOSE

As per the requirements under the Regulations 19(4) read with sub-clause (3) Para A of Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, (the “Listing Regulations”) and such other regulatory provisions, as may be applicable, the Nomination and Remuneration Committee of the Company (the “NRC”) is required to devise a policy on diversity of the Board of Directors (the “Board”) of Shipping Corporation of India Land and Assets Limited (“SCILAL” or “Company”).

The Board diversity policy (the “Policy”) sets out a framework to achieve adequate diversity on the Board of the Company.

2. INTRODUCTION

2.1. Board diversity is vital to handle various factors such as globalisation of business, rapid deployment of technology, greater social responsibility, ever rising emphasis on corporate governance, enhanced need for risk management, etc. so as to facilitate effective management of the business of SCILAL and to keep pace with changing dynamics of the business environment.

2.2. SCILAL believes that a diverse Board will enhance the quality of decision made by the Board by utilizing the different skills, qualification, experience, knowledge, etc. of the Board necessary for achieving sustainable and balance development.

3. SCOPE OF APPLICATION

The Policy applies only to the members of the Board and not to the employees of the Company.

4. EFFECTIVE DATE

This Policy shall be effective from the date of approval by the Board, unless specified otherwise.

5. POLICY STATEMENT

5.1 SCILAL being a PSU, comes under the Administrative Ministry of Ports, Shipping and Waterways. The power to appoint Directors on the Board of SCILAL (including Independent Directors) vests with the Government of India. The Functional and Nominee Directors having specified skills/ expertise and competencies in the context of Company’s business to function efficiently and effectively are selected by Public Enterprises Selection Board (PESB) whereas Independent Directors are selected from a mix of eminent personalities having requisite experience in the diversified fields.

5.2 In the process of attaining a diverse Board, the Company is also governed by the following provisions of the Articles of Association, Listing Regulations, Companies Act, 2013 and the rules made thereunder, DPE guidelines, etc:

- a) The total number of directors shall be in accordance with the Articles of Association.
- b) The Board of Directors shall have an optimum combination of executive and non-executive directors and not less than fifty per cent. of the board of directors shall comprise of non-executive directors and shall have at least one (1) woman director on the Board subject to the applicable laws.;
- c) Where the chairperson of the Board of Directors is a non-executive director, at least one-third of the Board of Directors shall comprise of independent directors and where the Company does not have a regular non-executive chairperson, or when the regular non-executive chairperson is a promoter or related to any promoter or person occupying management position at the Board level or at one level below the Board, at least half of the Board of Directors shall comprise of independent directors.
- d) The overall composition of the Board should comply with the provisions of the Articles of Association, the Companies Act, the Listing Regulations and the statutory, regulatory and contractual obligations of SCILAL.

6. STAKEHOLDER DIVERSITY

Subject to the provisions of Section 151 of the Companies Act, the Company may, upon notice of not less than 1,000 shareholders or one-tenth of the total number of such shareholders, whichever is lower, have a small shareholders' director elected by the small shareholders.

For the purpose of aforesaid clause "Small shareholders" means a shareholder holding shares of nominal value of not more than twenty thousand rupees or such sum as may be prescribed under the Companies Act.

7. REVIEW OF THE POLICY

The Nomination and Remuneration Committee shall review this Policy from time to time and make recommendations on any required changes to Board for consideration and approval.

8. AMENDMENT TO THE POLICY:

8.1 Any subsequent notification, circular, guidelines or amendments in the below mention laws shall forthwith be implemented by the Company and consequent changes in this Policy shall be carried out with approval from Chairman & Managing Director (CMD) of SCILAL and be communicated on the relevant platform:

- (i) The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015,
- (ii) The Companies Act, 2013 and rules made there under
- (iii) DPE Guidelines on Corporate Governance for CPSE

(iv) Any other statutory or regulatory law.

Provided the Board is kept informed about the said amendment at the first Board Meeting held after such amendment.

8.2 Any amendment for reasons other than those mentioned above shall need approval by the Board of Directors.
