

SEAWAYS SHIPPING AND LOGISTICS LIMITED

POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS

1. SCOPE AND PURPOSE

Related party transactions can present a potential or actual conflict of interest which may be against the best interest of the company and its shareholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 ("Act") read with the Rules framed there under and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Seaways Shipping and Logistics Limited ("SSLL" or "the Company") has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.

Also, Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires a company to formulate a policy on materiality of related party transactions and dealing with related party transactions.

In light of the above, SSLL has framed this Policy on Related Party Transactions ("Policy"). This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee. Going forward, the Audit Committee would review and amend the Policy, as and when required, subject to the approval of the Board.

2. DEFINITIONS

- a. **"Arm's length transaction"** means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.
- b. **"Audit Committee"** means Audit Committee constituted by the Board of Directors of Seaways Shipping and Logistics Limited (SSLL), from time to time, under Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- c. **"Board of Directors" or "Board"** means the Board of Directors of Seaways Shipping and Logistics Limited (SSLL), as constituted from time to time.
- d. **"Company"** means Seaways Shipping and Logistics Limited (SSLL).
- e. **"Key Managerial Personnel"** means the Managing Director, the Whole-time Directors, the Company Secretary, the Chief Financial Officer and such other officers/employees of the Company as defined in section 2(51) of the Companies Act, 2013.

f. **“Material Related Party Transaction”** means a transaction with a Related Party **where** the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent (10%) of the annual consolidated turnover of the company as per the last audited financial statements of the company.

g. **“Policy”** means Policy on Related Party Transactions.

h. **“Related Party”**, means—

(A) With reference to the Company:

- (i) a director or his relative;
- (ii) a key managerial personnel or his relative;
- (iii) a firm, in which a director, manager or his relative is a partner;
- (iv) a private company in which a director or manager is a member or director;
- (v) a public company in which a director or manager is a director or holds along with his relatives, more than two per cent. of its paid-up share capital;
- (vi) any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
- (vii) any person on whose advice, directions or instructions a director or manager is accustomed to act:
Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;
- (viii) any company which is—
 - a. a holding, subsidiary or an associate company of such company; or
 - b. a subsidiary of a holding company to which it is also a subsidiary;
- (ix) such other person as may be prescribed;

(B) Parties are considered to be related if at any time during the reporting period one party has the ability to control the other party or exercise significant influence over the other party in making financial and/or operating decisions as defined in the Accounting Standard 18 or such other entity/entities as may defined in the applicable accounting standard from time to time.

“Relative”, with reference to any person, means anyone who is related to another, if—

- a) they are members of a Hindu Undivided Family;
- b) they are husband and wife; or
- c) A person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely:-
 - i. Father (includes step-father).

- ii. Mother (includes the step-mother).
- iii. Son (includes the step-son).
- iv. Son's wife.
- v. Daughter.
- vi. Daughter's husband.
- vii. Brother (includes the step-brother)
- viii. Sister (includes the step-sister).

“Related party transaction” is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged, including:

- a) sale, purchase or supply of any goods or materials;
- b) selling or otherwise disposing of, or buying, property of any kind;
- c) leasing of property of any kind;
- d) availing or rendering of any services;
- e) appointment of any agent for purchase or sale of goods, materials, services or property;
- f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- g) underwriting the subscription of any securities or derivatives thereof, of the company:

3. DEALING WITH RELATED PARTY TRANSACTIONS:

The Board shall fulfill the function of monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.

The Company shall comply with applicable provisions of the Companies Act, 2013, Rules made there under, the Listing Agreement and other applicable law in force from time to time in dealing with the Related Party Transactions.

4. APPROVAL PROCESS:

a. Audit Committee:

All Related Party Transactions shall require prior approval of the Audit Committee. Accordingly, all proposed Related Party Transactions must be reported to the Audit Committee for prior approval by the Committee.

The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the company and such approval shall be applicable in respect of transactions which are repetitive in nature.

The Managing Director/Whole-time Director/ Chief Financial Officer / Company Secretary of the Company shall provide to the Committee all relevant material information of the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters. In determining whether to approve a Related Party Transaction, the Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction:

- (i) the name of the related party and nature of relationship;
- (ii) the nature, duration of the contract and particulars of the contract or arrangement;
- (iii) the material terms of the contract or arrangement including the value, if any;
- (iv) any advance paid or received for the contract or arrangement, if any;
- (v) the indicative base price / current contracted price and the formula for variation in the price if any
- (vi) the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
- (vii) whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors;
- (viii) the persons/authority approving the transaction; and
- (ix) any other information relevant or important for the Committee to take a decision on the proposed transaction.

In determining whether to approve a Related Party Transaction, the Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction:

- (i) Whether the terms of the Related Party Transaction are fair and on arm's length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;
- (ii) Whether the Related Party Transaction would affect the independence of the Directors/KMP;
- (iii) Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction; and
- (iv) Whether the Related Party Transaction is in the nature of conflict of interest for any Director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the Director or other Related Party, the direct or indirect nature of the Directors, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/Committee deems relevant.



Subject to the provisions of the applicable laws the Audit Committee will have the discretion to approve/modify/recommend/refer the proposed related party transaction for the approval of Board of Directors or Shareholders.

And, in the event such transaction, contract or arrangement is not in the ordinary course of business or at arm's length, the Company shall comply with the provisions of the Companies Act 2013 and the Rules framed thereunder and obtain approval of the Board or its shareholders, as applicable, for such contract or arrangement.

Subject to the provisions of applicable laws from time to time, in exceptional cases, where a prior approval is not taken due to an inadvertent omission or due to unforeseen circumstances, the Committee may ratify the transactions in accordance with this Policy.

b. Board:

The consent of the Board of Directors is required by a resolution at a meeting of the Board for entering into any contract or arrangement with a related party with respect to the transactions defined in the related party transaction.

Where any director is interested in any contract or arrangement with a related party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.

c. Shareholders:

Transactions not in ordinary course of business or not at arm's length:

All Related Party Transactions in excess of the limits prescribed under the Companies Act, 2013, which are not in the Ordinary Course of Business or not at Arms' Length shall also require the prior approval of the shareholders through Ordinary Resolution and no member of the company shall vote on such Resolution, if such member is a related party.

Material Related Party Transaction:

All material Related Party Transactions shall require approval of the shareholders through Ordinary Resolution and the related parties shall abstain from voting on such resolutions.

5. EXEMPTION FROM APPLICABILITY OF THE POLICY

Notwithstanding the foregoing, but subject to the provisions of the applicable laws from time to time, this policy shall not apply to the following Related Party Transactions shall not require approval of Audit Committee or Shareholders:

- (i) Transactions entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- (ii) Any transaction that involves the providing of compensation to a director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- (iii) Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.

6. DISCLOSURE:

Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance.

The company will make disclosures in compliance with the Accounting Standards and other applicable laws on "Related Party Disclosures" in its Annual Report.

The policy shall be disclosed on the company's website and a web link thereto shall be provided in the Annual Report of the Company.

7. POLICY REVIEW, ETC.:

The Board of Directors of the Company may subject to applicable laws is entitled to amend, suspend or rescind this Policy at any time. Any difficulties or ambiguities in the Policy will be resolved by the Board of Directors in line with the broad intent of the Policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy.

In the event of any conflict between the provisions of this policy and of the applicable law dealing with the related party transactions, such applicable law in force from time to time shall prevail over this policy. Any subsequent amendment / modification in the Listing Agreement, Act and/or applicable laws in this regard shall automatically apply to this Policy
