



GREATSHIP (INDIA) LIMITED REMUNERATION POLICY

POLICY ADOPTION

This policy has been recommended by the Nomination and Remuneration Committee of the Company at its meeting held on January 27, 2015 and adopted by the Board of Directors of the Company at its meeting held on January 27, 2015, pursuant to Section 178 of the Companies Act, 2013 and is applicable with effect from the said date.

REMUNERATION POLICY FOR THE DIRECTORS

1. Recommendation & approval authorities

- a. **For Executive Directors:** The remuneration of the executive directors is recommended by the Nomination and Remuneration Committee (the 'Committee') and approved by the Board of Directors (the 'Board') and shareholders of the Company within the overall limits as may be prescribed under applicable laws.
- b. **For Non-Executive Directors:** The remuneration of the non-executive directors is approved by the Board of Directors (the 'Board') and shareholders of the Company within the overall limits as may be prescribed under applicable laws.
- c. **Independence of decisions:** Decisions regarding remuneration for executive directors is the responsibility of the Committee. Executive directors are not consulted directly by the Committee when making policy decisions.

2. Forward looking nature

This Policy is a forward-looking document. It is hereby clarified that existing obligations of the Company under existing contracts, pension scheme, etc. which are outstanding at the time this Policy is approved shall continue to be honoured by the Company. It is the Company's policy to honour in full any pre-existing obligations that have been entered into prior to the effective date of this Policy.

EXECUTIVE DIRECTORS

Key Principles

Attracting and retaining requisite talent is a key objective of the Company's approach to remuneration. The core elements of salary, variable pay¹, benefits and pension continue to provide an effective, relatively simple, performance-based system that fits well with the nature of Company's business and strategy.

The remuneration policy for executive directors has been consistently guided by the following key principles, which represent the underlying approach of the Board and the Committee:

- a) The remuneration structure of executive directors is designed to reflect the nature of business in which the Company operates. The industry has long term business cycles, is capital intensive, highly regulated and has significant safety and environmental risks requiring specific entrepreneurial skills and experience, which the Company must attract and retain.
- b) A substantial proportion of executive directors' remuneration is linked to success in implementing the Company's strategy and varies with performance of the Company

¹ amended w.e.f. October 30, 2018



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- c) There is quantitative and qualitative assessment of each executive director's performance.
- d) Total overall remuneration takes account of both the external market and company conditions to achieve a balanced and fair outcome.
- e) Ensuring that executive directors are remunerated in a way that reflects the Company's long-term strategy. Consistent with this, a high proportion of executive directors' total remuneration has been, and will always be, strongly linked to the Company's performance.

Elements of remuneration

Executive directors' remuneration shall be divided into following elements:

1. Consolidated Salary

- a. **Inclusions in consolidated salary:** Consolidated Salary shall include basic salary and Company's contribution to Provident Fund, Superannuation Fund and all other allowances payable from time to time. Company's contribution to Provident Fund, Superannuation Fund allowances, etc. shall be as per the rules of the Company and determined as per the applicable laws, if any, from time to time.
- b. **Industry comparison:** While determining Consolidated Salary, salary levels and total remuneration paid by companies of similar size and stature engaged in shipping, offshore and other industries shall be considered by the Committee.
- c. **Revision of scales**²: Scale of Consolidated Salary shall be fixed for a period of 5 years or such other period as may be decided by the Committee or the Board from time to time and shall be reviewed thereafter.
- d. **Annual review:** Actual Consolidated Salary payable every year shall be reviewed annually within the broader scale as aforesaid.

Salary reviews consider both external competitiveness and internal consistency when determining if any increases should be applied. Salaries are compared against other shipping and offshore majors, but the Company also monitors market practice among companies of a similar size, geographic spread and business dynamic to the Company.

Salary increases are not directly linked to performance. However, a base-line level of personal contribution is needed in order to be considered for a salary increase and exceptional sustained contribution may be grounds for accelerated salary increases.

2. Benefits

There are certain benefits, such as car-related benefits, insurance and medical benefits, etc. which are made available by the Company to its employees generally in accordance with its rules / terms of employment. Executive directors are entitled to receive those benefits.

Annexure - 1 details the benefits applicable for Executive Directors.

² amended w.e.f October 30, 2018



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3. Reimbursements

Reimbursement of expenses incurred by the Managing Director(s) during business trips for travelling, boarding and lodging, including for their respective spouses will be provided by the Company.

Reimbursement of expenses incurred by other Executive Director(s) during business trips for travelling, boarding and lodging will be provided by the Company.

4. Variable Pay ³

It provides a variable level of remuneration dependent on short-term performance of the individual as well as the Company vis a vis industry performance globally. The test of performance by the Company is whether it is able to increase its profits when the industry environment is favourable and whether it is able to minimise its losses when the environment is harsh. The Company believes that performance of each and every employee of the Company contributes to its overall performance and hence should be rewarded suitably. Hence, the Company follows the policy of making payment of variable pay to its executive directors annually.

Variable pay is decided based on performance of executive directors as well as the Company. Where possible, the Company uses quantifiable, hard targets that can be factually measured and objectively assessed. The Company also reviews the underlying performance of the group in light of the annual plan, competitors results, etc.

Variable pay may vary from time to time but shall be maximum four times of the annual Consolidated Salary in case of Managing Director and one time of the annual Consolidated Salary in case of other Executive Directors. Executive Directors with bigger operating responsibilities may be entitled to more variable pay as compared to others.

NON-EXECUTIVE DIRECTORS

Key Principles

The principle which underpins the board's policy for the remuneration of NEDs is that the remuneration should be sufficient to attract, motivate and retain world-class non-executive talent. The remuneration practice should also be consistent with recognized best practice standards for NED remuneration.

Elements of Remuneration

1. Sitting fees ⁴

The NEDs are paid sitting fees for attending meetings of the Board of Directors and of certain committees of the Board, viz., Audit Committee and Nomination and Remuneration Committee. The Board shall decide the amount of sitting fees payable to the NEDs for attending meetings of the Board of Directors or the Committees of the Board of Directors, subject to the applicable limits as per the Companies Act, 2013.

Presently, NEDs are paid sitting fees of Rs. 1 lakh per meeting for attending meetings of the Board of Directors and the meetings of the Audit Committee and the Nomination and Remuneration Committee.

³ amended w.e.f October 30, 2018

⁴ amended w.e.f October 30, 2018



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2. Remuneration ⁹

It provides a variable level of remuneration dependent on short-term performance of the Company, i.e. net profits every year. In the event the Company makes no profits or has inadequate profits in any financial year, the Company could pay remuneration to its NEDs in accordance with the provisions of Schedule V.

Quantum of Commission is determined by the Board on a year to year basis. Additional commission is paid to the directors who hold Memberships/Chairmanships of various committees of Board of Directors as per the decision of the Board, over and above the Commission payable as a Director.

3. Reimbursements ⁵

All reasonable out of pocket expenses incurred by NEDs in carrying out their duties are reimbursed.

The Company does not provide share options or retirement benefits to NEDs.

⁵ inserted w.e.f October 30, 2018

⁹ amended w.e.f April 30, 2021



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Annexure – 1: Benefits applicable for Executive Directors ⁶

Managing Director:

The Company shall provide following benefits to Managing Director(s) as per the rules of the Company:

- a) Transportation/conveyance facilities
- b) Telecommunication facilities at residence
- c) Leave encashment
- d) Reimbursement of medical expenses incurred for himself and his family
- e) Insurance cover
- f) Fees of Clubs subject to a maximum of two clubs
- g) Leave Travel allowance
- h) Gratuity
- i) Other benefits as may be applicable from time to time

Managing Director(s) shall also be entitled to bonafide payment (which shall include providing perquisites) by way of pension in accordance with the scheme to be formulated by the Board of Directors or any Committee thereof from time to time, subject to the limits prescribed under applicable laws, if any.

Other Executive Director(s):

The Company shall provide following benefits to other Executive Director(s) as per rules of the Company:

- a) Transportation/conveyance facilities
- b) Telecommunication facilities at residence
- c) Leave encashment
- d) Reimbursement of medical expenses incurred for himself and his family
- e) Insurance cover
- f) Leave travel reimbursement/allowance
- g) Membership Fees of Clubs
- h) Gratuity
- i) Other benefits as may be applicable to his grade from time to time

⁷ Executive Director(s) shall also be entitled to receive medical benefit after retirement in accordance with the Post-Retirement Medical Benefit Scheme dated February 4, 2019 (as may be amended from time to time), if selected for such entitlement by the Nomination and Remuneration Committee in accordance with the said Scheme.

⁶ replaced w.e.f October 30, 2018

⁷ inserted w.e.f February 4, 2019



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REMUNERATION POLICY FOR EMPLOYEES

1. Approving authority

The determination of each employee's remuneration is delegated to the Management Committee.

2. Forward looking nature

This Policy is a forward-looking document. It is hereby clarified that existing obligations of the Company under existing contracts, pension scheme, etc. which are outstanding at the time this Policy is approved shall continue to be honoured by the Company. It is the Company's policy to honour in full any pre-existing obligations that have been entered into prior to the effective date of this Policy.

3. Key Principles

The following principles are adopted as a framework for remuneration of all employees (including senior management and key managerial personnel).

a. Fixed and variable components:

The proportion of fixed and variable components in remuneration for personnel at different levels will be balanced to reflect short and long term performance objectives appropriate to the working of the Company and its goals.

b. Benchmarking compensation packages:

The overall compensation packages will be benchmarked with salaries paid at similar levels in the industry and calibrated to attract and retain the kind of talent the Company requires.

4. Elements of remuneration

The overall compensation of an employee shall be divided into the following elements:

a. Fixed Pay or the CTC:

The Fixed Pay or the CTC of an employee shall broadly comprise of the below listed components:

- Basic
- HRA
- Car Fuel & Maintenance (own car/company car based on the eligibility as per grade)
- Conveyance Allowance
- LTA/Medical,
- Provident Fund,
- Superannuation Fund,
- National Pension Scheme,
- Leadership Compensation,
- Savings Allowance,
- Children Education Allowance,
- Self-development, etc.



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Some of the components mentioned above are optional where employees can choose not to avail them. The sub-limits of each of these components as a percentage of Fixed Pay or CTC may differ for each employee based on his grade.

The Fixed Pay or the CTC of an employee shall be reviewed and revised annually by the Management Committee.

b. Variable Pay or Performance Incentive Pay:

Variable pay will be clearly linked to the performance of the Company and that of the employee. Performance of all employees shall be reviewed annually and shall be rated on a 5 point scale. Based on the Company's annual performance and the performance rating of the employee, the Variable Pay of the employee shall be determined by the Management Committee as a percentage of fixed pay on an annual basis.

c. Other Benefits:

The various other benefits, over and above the Fixed Pay and the Variable Pay, shall be as per the Company's HR Policy which will be decided by the Management Committee.

⁸Senior Management employees of the Company in the grades of 'Vice President' and above shall also be entitled to receive medical benefit after retirement in accordance with the Post-Retirement Medical Benefit Scheme dated February 4, 2019 (as may be amended from time to time), if selected for such entitlement by the Nomination and Remuneration Committee in accordance with the said Scheme.

⁸ inserted w.e.f February 4, 2019