

**POLICY ON BOARD DIVERSITY**

## **INTRODUCTION**

Part D (A) (3) of Schedule II of Securities and Exchange Board of India (Listing of Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) requires all the listed companies to formulate a policy on diversity of the Board of Directors.

Accordingly, the Board of Directors of the Company has adopted the policy at its Meeting held on December 10, 2024 and the policy is effective immediately.

## **OBJECTIVE**

To ensure a transparent board nomination process with the diversity of thoughts, experience, knowledge, expertise, perspective and gender in the Board in accordance to the requirements of the business of the Company.

## **POLICY STATEMENT**

The Company believes that a diverse Board will enhance the decision making of the Board by utilizing the difference in skills, experience and background, geographical and industry experience, ethnicity, gender, knowledge and length of services, and other distinguishing qualities of the Members of the Board. Diversity will be considered in determining the optimum composition of the Board, and all appointments will be based on merit, having due regard to the overall effectiveness of the Board.

The Nomination and Remuneration Committee is responsible for reviewing and assessing the composition of the Board and will make recommendations to the Board on the appointment of new Directors. The Committee will also review the structure, size and diversity of the Board annually and make recommendations on any proposed changes to the Board to complement the Company's objectives and strategy.

An effective Board, through its expert members with diverse skill sets and backgrounds, helps the Company achieve its vision and mission through:

- Enhancing the decision-making process, thereby enabling optimum utilization of time and facilitating structured outcomes.
- Effectively channelizing the inputs and opinions of the Board members, to arrive at viable solutions for the business challenges and setting strategic outcomes.
- Enabling self-development for Board members in terms of gaining from varied skill sets, with the aid of shared expertise of members.

## **COMPOSITION OF THE BOARD**

- The Board of Directors shall have optimum combination of Executive and Non-Executive Directors and not less than 50% of the Board of Directors shall comprise of Non-executive Directors.
- At least half of the Board should comprise of Independent Directors, where the Chairman of the Board is Executive or at least one third of the Board should comprise of Independent Directors, where the Chairman of the Board is Non- Executive.
- At least half of the Board of the Company shall consist of Independent Directors where the regular Non-Executive Chairman is a promoter or is related to any promoter or person occupying

management positions at the level of Board or at one level below the Board as required under Regulation 17 of the Listing Regulations.

- An Independent Director shall be appointed / re-appointed with the prior approval of Shareholders obtained by way of Special Resolution and shall hold office for a term of up to five consecutive years on the Board of a Company and can be appointed as Independent Director for second term of five consecutive years on the Board.
- No Independent Director shall hold office for more than two (02) consecutive terms, but such Independent Director shall be eligible for appointment as an Independent Director after the expiration of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

For the purpose of this policy Independent Director means the Independent Director as defined under sub-section (47) of Section 2 of the Companies Act, 2013 and regulation 16 (b) of the SEBI Listing Regulations.

- The Board of Directors of the Company shall comprise of at least one Woman Independent Director.

#### **EXPERIENCE AND EXPERTISE**

- The Board shall have optimum combination of Directors having experience in various fields. Appointment of directors to the Board of the Company should be based on the specific needs and business of the Company. Appointments should be done based on the qualification, knowledge, experience and skill of the proposed appointee which is relevant to the business of the Company.
- Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.
- While appointing Independent Directors, care should be taken as to the independence of the proposed appointee.
- Directorship in other companies may also be taken into account while determining the candidature of a person.

#### **ROLE OF NRC**

NRC of the Board shall review and assess Board composition on behalf of the Board and shall recommend to the Board, the appointment of new Directors based on their qualifications, positive attributes and independence. In reviewing Board composition, NRC shall consider the benefits of all aspects of diversity including, but not limited to, those described above, in order to enable it to discharge its duties and responsibilities effectively.

The size of the Board in terms of number of members and composition with respect to executive, non executive and independent directors, shall be reviewed by the Board.

The Committee shall support laying down a succession plan and drive the understanding of talent across the organization and support development programme for the Board. As part of the exercise, it will also review and suggest training for directors. Amongst the key requirements is to also plan for the evolution of non-executive directors over the medium term to maintain appropriate mix of skills, age and gender diversity on the Board.

The effective implementation of this Policy requires that shareholders will be able to judge for themselves whether the Board as constituted is adequately diverse. To this end, the Company shall

continue to provide sufficient information to shareholders about the size, qualifications and characteristics of each Board member.

## **REVIEW OF THE POLICY**

The Nomination and Remuneration Committee will review the Policy, from time to time, to ensure the effectiveness of the Policy. The Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

## **REPORTING**

The Board's composition (including gender, ethnicity, age etc.) will be disclosed in the Annual Report.

The Corporate Governance Report which forms part of the Annual report shall also disclose the list of core skills/expertise/competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board; and, the names of directors who have such skills / expertise / competence

The Company shall disclose this Policy on its website. Subject to applicable laws, the Board 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 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.

## **AMENDMENTS AND MODIFICATION IN THE POLICY:**

The Board may, subject to applicable laws, amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the policy entirely with a new policy as it may deem necessary.

In the event of any conflict between the provisions of this Policy and of the SEBI Listing Regulations or any other applicable legal requirement ("Applicable Law"), the provisions of Applicable Law shall prevail over this Policy. Any subsequent amendment / modification to the Applicable Law shall automatically apply to this Policy.

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