

POLICY ON BOARD DIVERSITY OF SBEC SYSTEMS (INDIA) LIMITED

[Regulation 19(4) SEBI Listing Regulations, 2015]

1. PURPOSE:

The policy on Board Diversity (“the Policy”) sets out the approach to diversity on the Board of Directors (the “Board”) of SBEC Systems (India) Limited (“the Company”).

2. POLICY STATEMENT

The Company recognizes and embraces the benefits of having a diverse Board that possesses a balance of skills, experience, expertise and diversity of perspective appropriate to the requirements of the business of the Company. The Company sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions between directors. The differences will be considered in determining the optimum composition of Board and when possible should be balanced appropriately.

The Company maintains that Board appointments should be based on merits that complements and expands the skills, experience and expertise of the Board as a whole taking into account knowledge, professional experience, and qualifications, gender, age, cultural and educational background, and any other factors that the board might consider relevant and applicable from time to time for it to function effectively.

In the process of attaining a diverse Board based on the aforementioned criteria, the following criteria needs to be assessed:

2.1 Optimum composition

(a) The Board shall have an optimum combination of executives and non- executive directors and not less than fifty per cent of the Board of directors comprising non-executive directors.

(b) At least half of the Board should comprise of independent directors (where the chairman of the Board is executive or promoter) or at least one-third of the Board consisting of independent directors (where the chairman of the Board is non-executive).

In any case, the Company should strive to ensure that the number of independent directors do not fall below 3(three) so as to enable the board to function smoothly and effectively.

The Company shall have at least one women director on the Board to ensure that there is no gender inequality on the Board.

2.2 Functional diversity

(a) 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.

(b) Knowledge of and experience in domain areas such as Chemicals, Textiles, Mines, Wind mills, Salt industry, law, banking and finance, corporate, investment banking, Governance and risk, management, administration, CSR, etc. , should be duly considered while making appointments to the Board level.

(c) While appointing independent directors, care should be taken as to the independence of the proposed appointee.

(d) Directorships in other companies may also be taken into account while determining the candidature of a person.

2.3 Stakeholder diversity

The Company may also have directors on its Board representing the interest of any financial institution or any other person in accordance with the provision of its articles of association and/or any agreement between the Company and the nominating agency.

3. ROLE OF NOMINATION AND REMUNERATION COMMITTEE

The nomination and remuneration committee ('NRC') of the company 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 will 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.

4. REVIEW OF THE POLICY

The NRC will review the policy from time to time keeping in view the statutory requirement and need of the organization and recommend the same to the Board for their approval