



POLICY ON BOARD DIVERSITY

SURVEY # 364/366, RANIA, TA- SAVLI

DIST- VADODARA-391780

CIN-L51900GJ1980PLC065554

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PURPOSE

The Policy on Board Diversity (“the Policy”) sets out the approach of the Company to diversify the Board (the ‘Board of Directors’) of Shaily Engineering Plastics Limited (the “Company”).

LAW AND APPLICABILITY

As per Regulation 19 (4) read with Part D of Schedule II of the SEBI LODR Regulations 2015, the NRC of the Company has to devise Policy on Board Diversity. This Policy applies to Board. It does not apply to employees generally.

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 perspectives 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. These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately. The Company maintains that Board appointments should be based on merit that compliments and expands the skills, experience and expertise of the Board considering 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 criteria, the following criteria needs to be assessed:

1. Optimum Composition

- (a) The Board shall have an optimum combination of executive 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 at least one-third of the Board consisting of independent directors (where the chairman of the Board is non-executive).
- (c) The Company shall have at least one-woman director on the Board to ensure that there is no gender inequality on the Board.

2. Functional Diversity

- (a) Appointing directors to the Board of the Company should be based on the specific needs and business of the Company. Appointments should be made based on the qualification, knowledge, experience and skill set of the proposed appointee which is relevant to the business of the Company.
- (b) Knowledge and experience in domain areas such as Legal, Corporate, Banking, Business Development, Finance and Management, etc., should be duly considered while making appointments to the Board level.
- (c) While appointing Independent Directors on the Board, utmost care should be taken as to the Independence of the proposed appointee.
- (d) Directorships in other companies may also be considered when determining the candidature of a person.

3. Stakeholder Diversity

- (a) The Company may also have directors on its Board representing the interest of any financial institution or any other person in accordance with the provisions of its articles of association and/or any agreement between the Company and the nominating agency.
- (b) Subject to the provisions of section 151 of the Companies Act 2013 read with the relevant rules made there under, the Company may, upon notice, of not less than one thousand small shareholders or one-tenth of the total number of such shareholders, whichever is lower, have a small shareholder's director elected by such shareholders.
- (c) In case if the Company has taken a loan from a Financial Institution, then such institution shall appoint their Nominee Director on the Board of the Company. After appointing a Nominee Director, the total number of Directors in the Company cannot exceed the maximum limit.

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, skills, knowledge, expertise and independence.

While 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.

REVIEW OF THE POLICY

The NRC will review the policy as and when required, which will also include an assessment of the effectiveness of the policy. The NRC will discuss any revisions that may be required and recommend any such revisions to the Board for further approval.