



Last Updated on February 11, 2022

AVRO INDIA LIMITED

POLICY ON BOARD DIVERSITY

INTRODUCTION

This policy on Board Diversity (the “Policy”) for the Board of Directors (the “Board”) of Avro India Limited (“the Company” or “AVRO”) has been formulated by the Board, based on the recommendation of the Nomination and Remuneration Committee (“NRC”), in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI (LODR) Regulations, 2015”) to assure that the Board is diversified and comprises of an ideal combination of executive and non-executive directors, including independent directors, with diverse backgrounds.

OBJECTIVE

The Objectives of the Policy include:

- 1) Board to drive diversity and have an appropriate blend of functional and industry expertise;
- 2) While recommending the appointment of a director to, *inter alia*, consider the manner in which the function and domain expertise of the individual contributes to the overall skill domain mix of the Board;
- 3) To help the Company build a better Board that can draw upon a wide range of perspectives, expertise, knowledge and experience;
- 4) To achieve an optimum and balanced Board, with a wide range of attributes;
- 5) To encourage healthy and open discussion and promote independence of judgement in Board and Committee deliberations; and
- 6) To have an optimum mix of Executive, Non-Executive and Independent Directors, including Women Directors.

LAW AND APPLICABILITY

As per Regulation 19(4) read with Part D of Schedule II of SEBI (LODR) Regulations, 2015, the NRC of the Company has to devise policy on the Board Diversity.

SCOPE

This Policy applies to the Board. It does not apply to employees generally.

POLICY STATEMENT

The Company recognizes and believes that a diverse Board will enhance the quality of the decisions made by the Board by utilizing different skills, qualifications, professional experiences, knowledge, gender, ethnicity, background and other distinguished qualities etc. of the members of the Board, necessary for driving business results, achieving competitive advantage, effective corporate governance, and sustainable and balanced development.

NRC is responsible for reviewing and assessing the composition and performance of the Board, as well as identifying appropriately qualified persons to occupy Board positions.

While all appointments to the Board will continue to be made on merit, the NRC will consider the benefits of diversity (including but not limited to the attributes listed above) in identifying and recommending persons for Board membership, as well as in evaluating the Board and its individual members.

Further, the Committee will ensure that no person is discriminated against on grounds of religion, race, gender, pregnancy, national origin or ancestry, marital status, age, sexual orientation, or any other personal or physical attribute.

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

a) Board Composition

The Board shall have an optimum combination of executive, non-executive and independent directors in accordance with requirements of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other statutory, regulatory and contractual obligations of the Company.

b) Functional Diversity

1. 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.
2. Knowledge, skill and experience in domain area such as Information technology, Leadership, Strategic Planning, Finance, Corporate Governance, Regulatory/Legal and Risk Management, etc., as also mentioned in matrix approved by NRC/Board should be duly considered while making appointments to the Board level.
3. While appointing Independent Directors, care should be taken as to the independence of the proposed appointee.
4. Directorship in other companies along with the time commitments of the candidate may also be taken into account while determining the candidature of a person.

c) 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 provisions of its articles of association and/ or any agreement between the Company and the nominating agency

Accordingly, the NRC shall be responsible to :-

- assess the appropriate mix of diversity, skills, experience and expertise required on the Board and assess the extent to which the required skills are represented on the Board,
- maintain matrix setting out the skills/expertise/competence of the board of directors along with the names of directors who have such skills / expertise / competence

- make recommendations to the Board in relation to appointments, and maintain an appropriate mix of diversity, skills, experience and expertise on the Board after assessing how proposed candidate is meeting skills/expertise/competence mentioned in the matrix approved by NRC/Board
- for every appointment of an independent director, shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description.

While identifying suitable candidates for independent directorship, NRC may:

- a. use the services of an external agencies, if required;
- b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
- c. consider the time commitments of the candidates

REVIEW AND AMENDMENTS TO THE POLICY

The NRC will review this Policy periodically and recommend appropriate revisions to the Board. The NRC Committee shall have the power to clarify any doubts or rectify any anomalies that may exist in connection with the effective execution of this Policy.

In case any provision of this policy are contrary to or inconsistent with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law or Act or rules, regulations and circulars issued thereunder ("Statutory Provisions"), the Statutory provisions shall prevail upon the provisions in this Policy and this Policy shall stand amended accordingly.