



**TATVA CHINTAN PHARMA CHEM LIMITED**

**BOARD DIVERSITY POLICY**

<b>Name of Document</b>	<b><u>BOARD DIVERSITY POLICY</u></b>
<b>Version</b>	1.0
<b>Policy/Code/Manual/Other</b>	Policy
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## **1. INTRODUCTION:**

- 1.1. The Policy on Board Diversity (the “Policy”) for the Board of Directors (the “Board”) of Tatva Chintan Pharma Chem Limited (the “Company”) sets out the approach to diversity on the Board of Directors of the Company.
- 1.2 Company to comply with the applicable rules and regulations of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) to ensure that the Board is fully diversified and comprises of an ideal combination of Executive and Non-Executive Directors, including independent Directors, with diverse backgrounds.
- 1.3 The Policy has been approved by the Nomination and Remuneration Committee (“NRC”) at its meeting held on 17<sup>th</sup> January, 2022 and approved by the Board in its meeting held on 17<sup>th</sup> January, 2022.

## **2. POLICY STATEMENT**

- 2.1 The Company recognizes and embraces the benefits of having a diversified Board that possesses a balance of skills, experience, expertise and diversity of perspectives appropriate to the requirements of the businesses of the company. The Company sees diversity at Board Level as an essential element in maintaining a competitive advantage. A truly diversified Board shall consider a number of factors, including but not limited to and make good use of differences in the skills, knowledge, length of service, cultural and educational background, regional and industry experience, Background, race, age, 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.
- 2.2 The Company maintains that the Board appointments should be based on merit that Compliments and expands the skills, experience and expertise of the board as a whole taking into account knowledge, professional experience, qualification, gender, age, cultural and educational background, their performance and competence and any other factors that the Board might consider relevant and applicable from time-to-time for it to function effectively.
- 2.3 In the process of attaining a diverse Board based on, the following criteria needs to be assessed:

### **A. Optimum Composition**

1. The Board shall have an optimum combination of executive and non-executive directors and not less than fifty percent of the Board of directors comprising of non-executive directors.
2. 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).
3. At least half of the board of the Company shall consist of independent Directors where the regular non-executive chairperson 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.

4. The Board shall comprise of not less than six directors as required under Regulation 17 of the Listing Regulations.
5. The Company shall not appoint a person or continue the directorship of any person as non-executive director who has attained the age of seventy-five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.
6. The Company shall ensure that with effect from 1 April, 2022, the Chairperson of the Board shall:
  - (i) Be a non-executive director;
  - (ii) Not be related to the executive chairman or the Chief executive officer as per the definition of the term "relative" defined under the Companies Act, 2013.

#### **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 of and experience in domain area such as Information Technology, Banking and Finance, Corporate, Investment banking, Legal, Risk, Management, HR, Technical domain Expertise etc. should be duly considered while making appointments to the Board Level. Taking this into account, appointment of female members to the Board is also to add value of a more diverse board.
3. While appointing independent Directors, care should be taken as to the independence of the proposed appointee.
4. Directorship in other companies may also be taken into account while determining the candidature of a person.

#### **C. Stakeholder Diversity**

1. 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.
2. Subject to the provisions of section 151 read with relevant rules made thereunder, the Company may, upon notice of not less than one thousand small shareholder or one-tenth of the total number of shareholders, which is lower have a small shareholders' director elected by small shareholders.

### **3. ROLE OF NOMINATION & REMUNERATION COMMITTEE**

3.1 The Nomination Committee shall be responsible for:

- A. Reviewing and assessing the Board Composition on behalf of the Board and shall recommend to the board, the appointment of new directors based on their qualification, positive attributes and independence;
- B. Formally assessing the appropriate mix of diversity, skills, experience and expertise required on the Board and assessing the extent to which the required skills are represented on the Board;
- C. Making recommendations to the Board in relation to Board Succession, including the succession of the Chairman, to maintain an appropriate mix of Diversity, skills, experience and expertise on the Board;
- D. Reviewing and reporting to the Board in relation to Board Diversity; and
- E. Make recommendations to the Board regarding Measurable Objectives.

3.2 In reviewing the Board Composition, NRC will consider the benefits of all the 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**

- 4.1 The NRC shall review the policy from time to time, to ensure its effectiveness.
- 4.2 The Committee shall discuss any revisions that may be required and recommend such revisions to the Board for consideration and approval.

#### **5. PUBLICATION OF THE POLICY**

- 5.1 A summary of this policy shall be disclosed in the Corporate Governance Report of the Annual Report of the Company and shall be published on the website of the Company i.e. [www.tatvachintan.com](http://www.tatvachintan.com).

