
BOARD DIVERSITY POLICY

**As approved by the Board of Directors at their meeting held on 11th August 2023
(Effective Date - 11th August 2023)]**

BOARD DIVERSITY POLICY

1. SCOPE

This policy on board diversity ("**Policy**") applies to the Board of Directors ("**Board**") of Sundaram-Clayton Limited ("**Company**") and has been formulated by the Nomination and Remuneration Committee of the Board ("**NRC**") in compliance with the provisions under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"). This Policy sets out the approach to diversity on the Board.

2. POLICY STATEMENT

As prescribed under the Listing Regulations, one of the key functions of the board of directors of the listed company is to ensure existence of transparent broad nomination process with a focus on diversity of thoughts, varied experience, industry knowledge, broader perspective, integrity and gender representation. The Company recognises this and holds the importance of a diverse Board in its success. The Company sees increasing diversity at the Board level as an essential element to maintain a competitive advantage and believes that a truly diverse Board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age and gender, which will ensure that the Company retains its competitive advantage. The Company believes that a diverse Board would bring in variety of thought processes thereby enhancing quality of deliberations, guidance and decisions and will contribute to the achievement of its strategic and commercial objectives, including to:

- drive business results;
- make corporate governance more effective;
- enhance quality and responsible decision-making capability; and
- ensure sustainable development.

The Company maintains that the appointments to the Board will continue to be made on merit 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.

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. It 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 NRC will ensure that no person is discriminated against or on grounds of religion, race, gender, marital status, age or any other personal or physical attributes, which does not speak to such person's ability to perform as a Board member.

In the process of attaining a diverse Board based on the aforementioned criteria, the NRC shall:

- assess the appropriate mix of diversity, skills, experience and expertise required on the Board, from time to time and assess the extent to which the required skills are represented on the Board;
- take into account current business operations, future growth, diversification plans and also the need to fill in the competency gaps, if any, while selecting a candidate and making a recommendation to the Board;
- make recommendations to the Board in relation to appointments, and maintain an appropriate mix of diversity, skills, experience and expertise on the Board; and
- periodically review and report to the Board requirements, if any, in relation to the diversity on the Board.

The Board shall have an optimum combination of executive, non-executive, woman and independent directors, in accordance with requirements of the Articles, the Companies Act, 2013, including the rules made thereunder, the provisions of the Listing Regulations and any other applicable law.

3. RESPONSIBILITY AND REVIEW

The NRC will review the Policy as and when required, which will 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 approval.

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