

BOARD DIVERSITY POLICY

PURPOSE

The need for diversity in the Board has come into focus post the changes in the provisions of the Companies Act, 2013 (“Act”) and the corporate governance requirements as prescribed by Securities and Exchange Board of India (“SEBI”) under Listing Agreement.

The Nomination and Remuneration Committee (NRC) has framed this Policy to set out the approach to diversity on the Board of the Company (“Policy”).

SCOPE

This Policy is applicable to the Board of the Company.

POLICY STATEMENT

The Company recognizes the importance of diversity in its success. Considering the diverse business of the Company, it is essential that the Company has as diverse a Board as possible.

A diverse Board will bring in different set of expertise and perspectives. The combination of Board having different skill set, industry experience, varied cultural and geographical background and gender diversity will bring a variety of experience and viewpoints which will add to the strength of the Company.

While all appointments to the Board are made on merit, the diversity of Board in aggregate will be of immense strength to the Board in guiding the Company successfully through various geographies.

The Committee reviews and recommends appointments of new Directors to the Board. In reviewing and determining the Board composition, the NRC will consider the merit, skill, experience, gender and other diversity of the Board.

To meet the objectives of driving diversity and an optimum skill mix, the NRC may seek the support of Human Resources and NRC will ensure that no person is discriminated on grounds of religion, race, gender, nationality, origin or any personal or physical attribute which do not speak to such person’s ability to perform as Board Member.

The NRC shall support laying down a succession plan and drive the understanding of talent across the organization and support development programs for the Board. As part of the exercise, it will also review and suggest training for directors. Amongst the key requirements is to also plan for the evolution of non-executive directors over the medium term to maintain appropriate mix of skills, age and gender diversity on the Board.

REVIEW OF THE POLICY

This Policy will be reviewed and reassessed by the NRC as and when required and appropriate recommendations shall be made to the Board to update this Policy based on changes that may be brought about due to any regulatory amendments or otherwise.

APPLICABILITY TO SUBSIDIARIES

This Policy may be adopted by the Company’s subsidiaries subject to suitable modifications and approval of the Board of Directors of the respective subsidiary companies.

COMPLIANCE RESPONSIBILITY

Compliance of this Policy shall be the responsibility of the Chief Financial Officer of the Company who shall have the power to ask for any information or clarifications from the management in this regard.

The effective implementation responsibility of this policy requires that shareholders should judge for themselves whether the Board as constituted is adequately diverse. To this end, Centrum shall continue to provide sufficient information to shareholders about the size, qualification and characteristics of each Board Member.

CRITERIA FOR DETERMINING INDEPENDENCE OF DIRECTORS

PURPOSE

The purpose of this Policy is to define guidelines that will be used by the Nomination and Remuneration Committee/ Board to assess the independence of Directors of the Company.

INDEPENDENCE GUIDELINES

A Director is considered independent if the Board makes an affirmative determination after a review of all relevant information. The Board has established the categorical standards set forth below to assist it in making such determinations.

- a. He is not a promoter nor related to the promoters or directors in the Company or its holding, subsidiary or associate company or member of the promoter group of the listed entity (persons occupying the management positions at the Board level or at one level below the Board of the Company;
- b. Neither him nor his relative –
has or had any pecuniary relationship other than remuneration as such director or having transaction not exceeding ten per cent. of his total income or such amount as may be prescribed or transaction with the company or its holding or its subsidiary or its associate companies during the current FY or two preceding FYs, except to the extent of profit related commission and fees for participation in the board meeting (For relatives- pecuniary relationship or transactions of 2 percent or more of its gross turnover or total income of Rs. 50 lakhs whichever is lower);
- c. None of whose relatives—
(i) is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year:

Provided that the relative may hold security or interest in the company of face value not exceeding fifty lakh rupees or two per cent. of the paid-up capital of the company, its holding, subsidiary or associate company or such higher sum as may be prescribed;

- (ii) is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;

(iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year; or

(iv) has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);]

(v) held the position of key management person or was or has been employee of the Company, its holding, subsidiary or associate company, in any of the preceding three financial years immediately preceding the financial year in which he is proposed to be appointed;

- d. Had held the position of key management personnel or was or has been employee of the Company, its holding, subsidiary or associate company, in any of the preceding three financial years;
- e. was an employee or proprietor or a partner, in any of the following:
- (i) a firm of auditors or company secretaries in practice or cost auditors or the internal audit firm of the Company or its holding, subsidiary or associate company; or
 - (ii) any legal or consulting firm that has or had any transaction with the Company or its holding, subsidiary or associate company, amounting to 10 percent or more of the gross turnover of such firm, during the three immediately preceding financial years or during the current financial year;
- f. is holding 2 percent or more of the total voting power of the Company;
- g. He was not a:
- a material supplier, service provider or customer or a lessor or lessee of the Company, which may affect my independence; and
 - a Chief Executive or a director, of any non-profit organisation that receives 25% or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate company or such organisation that holds 2% or more of the total voting power of the Company.
- h. who is not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director.
- i. Is not less than 21 years of age.
- j. Independent Director should have registered his name with the data bank maintained by India Institute of Corporate Affairs and pass the online test, if applicable

Last Reviewed on June 25, 2021