

Policy on Board Diversity

Purpose

The Policy on Board Diversity ('the Policy') sets out the approach to diversify on the Board of Directors (the 'Board') of Kopran Limited.

Policy Statement

The Company recognises 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 businesses of the Company. The Company maintains that Board appointments should be based 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.

In case of any changes/amendments in Company's Act, 2013 or SEBI (LODR) Regulations, 2015 the Policy shall be deemed to be suitably modified in consonance with the Act/Rules /Regulations, from time to time.

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

(i) Optimum Composition

- a. 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.
- 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). In any case, the Company should strive to ensure that the number of independent directors do not fall below two so as to enable the Board to function smoothly and effectively
- c. The Company shall have at least one-woman director on the Board to ensure that there is no gender inequality on the Board.

- d. The Board strength should comprise of at least six directors.
- e. In case any Director attains age of seventy-five years shall not be appointed or reappointed unless a special resolution is passed to that effect alongwith explanatory statement annexed to the notice giving justification for appointing such a person.
- f. Company shall ensure that approval of shareholders for appointment or reappointment of a person on the board of directors or as a manager is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier:

The appointment or a re-appointment of a person, including as a managing director or a whole-time director or a manager, who was earlier rejected by the shareholders at a general meeting, shall be done only with the prior approval of the shareholders. The shareholders notice shall contain a detailed explanation and justification by the Nomination and Remuneration Committee and the board of directors for recommending such a person for appointment or re-appointment.

- g. In case of any vacancy in the office of a director results in non-compliance it shall be filled by the Company at the earliest and in any case not later than three months from the date of such vacancy.

(ii) Functional Diversity

- a. 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.
- b. Knowledge of an experience in domain areas such as finance, legal, risk, management etc. should be duly considered while making appointments to the Board level.
- c. While appointing independent directors, care should be taken as to the independence of the proposed appointee.
- d. Directorships in other companies may also be taken into account while determining the candidature of a person.
- e. Whole-time Directors of the Company may be considered to head functional area/business division of the Company based on his/her expertise of the function/division.

Role of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company ('the Committee') 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, positive attributes and independence.

In reviewing the Board compositions, the Committee 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. The Committee also oversees the conduct of the annual review of Board effectiveness.

In identifying suitable candidates for appointment to the Board, the Committee will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.

As part of the annual performance evaluation of the effectiveness of the Board,

Board Committees and individual Directors, the Committee will consider the balance of skills, experience, independence and knowledge of the Company on the Board and the diversity representation of the Board, including gender, how the Board works together as a unit, and other factors relevant to its effectiveness.

The Committee will discuss and agree annually all measurable objective for achieving diversity on the Board and recommend them to the Board for adoption. At any given time the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.

The Policy on Board Diversity has been updated on February 11, 2025

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