

This document intends to sets out the approach for determining the mechanism of Board Diversity

## POLICY ON BOARD DIVERSITY

Version No.:  4.0

Approved By:  Board of Directors

Policy Owner :  Company Secretary



**THE PERIA KARAMALAI TEA & PRODUCE  
CO LTD**

Subject: <b>Policy on Board Diversity</b>	Original Issue Date : 27.02.2015	Effective Date : 01.04.2019
	Revision Date: 28.03.2019	Policy No.: <b>2.0</b>
	Review & Revision Date: 04.02.2023	Policy No.: <b>3.0</b>
	Review & Revision Date: 27.07.2023	Policy No.: <b>4.0</b>
	Reviewed & Revised Policy Effective date: 27.07.2023	

<b>Base Document</b>	:	Policy on Board Diversity
<b>Initial Document Prepared by</b>	:	Mr. Saurav Singhania
<b>Functional aspects Checked by</b>	:	Mr. Saurav Singhania
<b>Governing Guideline/Policy</b>	:	Policy on Board Diversity

## **POLICY ON BOARD DIVERSITY**

# **THE PERIA KARAMALAI TEA & PRODUCE COMPANY LIMITED**

## **POLICY ON BOARD DIVERSITY**

### **PREFACE OR INTRODUCTION**

- a. This Policy was initially approved and adopted by the Nomination and Remuneration Committee at its meeting held on 27.02.2015 in accordance with the requirement of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- b. Thereafter, in view of the amendments vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Nomination and Remuneration Committee and the Board of Directors of the Company at its meeting held on 28.03.2019 respectively has approved and adopted the revised policy in place of the existing policy, being effective from April 01, 2019.
- c. Further, in view of the recent amendments vide SEBI (Listing Obligations and Disclosure Requirements) 2015, the Board of Directors had reviewed and revised the policy in place of the existing policy at their meeting held on 27.07.2023

### **PURPOSE**

The Policy on Board Diversity (“the Policy”) sets out the approach to have a diversity on the Board of Directors (the ‘Board’) of The Peria Karamalai Tea & Produce Company Limited (the “Company”).

### **OBJECTIVE**

The primary objective of this Policy is to ensure existence of a transparent Board nomination process with a focus on integrity, diversity of thoughts, varied experience, industry knowledge, skill sets, broader perspective, and gender representation on the Board of PERIA without giving importance to the race and ethnicity, etc.

### **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 sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, 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.

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 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 with atleast one women director and not less than fifty percent of the Board of Directors comprising 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 case the regular non-executive chairperson is a promoter of the listed entity or is related to any promoter or person occupying management positions at the level of board of director or at one level below the board of directors, at least half of the board of directors of the listed entity shall consist of independent directors.

In any case, the Company should strive to ensure that the number of independent directors do not fall below 3 (Three) 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. The Company will appoint one independent women director on the Board once the company fall under the list of top 500 listed entities and top 1000 listed entities on or after the dates provided in SEBI (LODR) Regulations, 2015 on the basis of market capitalization.

d. The Board shall strive to comprise of at least 6 (six) directors on the Board. The Company will mandatorily constitute their Board of at least 6(six) directors once the Company fall under the list of top 1000 listed entities and top 2000 listed entities on or after the dates provided in SEBI (LODR) Regulations, 2015 on the basis of market capitalization.

e. The Directors of the Company shall comply with the following conditions with respect to the maximum number of directorships, including any alternate directorships that can be held by them at any point of time:

- (i) A person shall not be a director in more than 8 (eight) listed entities (with effect from April 1, 2019) and in not more than 7 (seven) listed entities (with effect from April 1, 2020).
- (ii) A person shall not serve as an independent director in more than seven listed entities.
- (iii) Further, any person who is serving as a whole-time director / managing director

in any listed entity shall serve as an independent director in not more than 3 (three) listed entities.

**(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 and experience in domain areas such as Tea Industry, Banking and Finance, Corporate, Investment Banking, 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 obtain the declaration of independence of the proposed appointee.
- d. Directorships in other companies may also be taken into account while determining the candidature of a person.

**(iii) Stakeholder Diversity**

- a. 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.
- b. Subject to the provisions of Section 151 of the Companies Act, 2013 read with the relevant rules made thereunder, the Company may, upon notice of not less than one thousand small shareholders or one-tenth of the total number of such shareholders, whichever is lower, have a small shareholders' director elected by the small shareholders.

**ROLE OF NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee (NRC) of the Company 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 Board composition, NRC 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.

For every appointment of an independent director, the Nomination and Remuneration Committee 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. For the purpose of identifying suitable candidates, the Committee 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.

The NRC will discuss and agree annually all measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption from time to time.

### **PERFORMANCE EVALUATION**

As part of the annual performance evaluation of the effectiveness of the Board, Board Committees and individual Directors, the Board 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 evaluation of Independent Directors shall be done by the entire board of directors which shall include -

- a) performance of the directors; and
- b) fulfillment of the independence criteria as specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the amendments made therein, and their independence from the management:

The Independent Directors who are subject to evaluation shall not participate in the above evaluation.

### **REVIEW OF THE POLICY**

The Nomination and Remuneration Committee (NRC) will review the Policy, 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.

**This policy has been reviewed and approved by the Board of Directors of the Company at its meeting held on 27.07.2023**

**Date: 27.07.2023**

**Place: Kolkata**