



ARDEE ENGINEERING LIMITED

BOARD DIVERSITY POLICY

1. PURPOSE

Ardee Engineering Limited has formulated this Policy on Board Diversity (the “**Policy**”) as per Regulations 19(4) read with Sub-clause (3) Para A of Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (the “**Listing Regulations**”) and such other regulatory provisions, as applicable. The Nomination and Remuneration Committee of the Company (the “**NRC**”) is required to devise a policy for having diversity on the board of directors (the “**Board**”) of the Company. The Board diversity policy sets out a framework to achieve adequate diversity on the Board of the Company.

2. INTRODUCTION

Board diversity is vital to handle various factors such as globalisation of business, rapid deployment of technology, greater social responsibility, ever rising emphasis on corporate governance, enhanced need for risk management, etc. so as to facilitate effective management of the business of Company and to keep pace with changing dynamics of the business environment.

Board diversity is the breadth of prospective, not the mere inclusion of various diverse traits that will benefit the organisation. Company believes that a diverse Board will enhance the quality of decision made by the Board by utilizing the different skills, qualification, experience, knowledge, etc. of the Board necessary for achieving sustainable and balance development.

3. SCOPE OF POLICY APPLICATION

The Policy applies only to the composition of the Board only and not to the employees of the Company.

4. EFFECTIVE DATE

This Policy shall be effective from the date of approval by the Board, unless specified otherwise.

5. POLICY STATEMENT

The Company aims to enhance the effectiveness of the Board by diversifying its composition and to benefit out of such diversity by improving decision making of the Board. In order to ensure that the Company’s boardroom has appropriate balance of skills, experience and diversity of perspectives that are imperative for the execution of its business strategy, the Company shall consider a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

6. ROLE OF THE NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee, *inter alia*, is responsible for reviewing and assessing the composition of the Board as well as for identifying and recommending appropriately qualified candidature(s), to hold directorship in the Company, to the Board where and if need be.

The Companies Act, 2013, as amended and the rules made thereunder (the “**Companies Act**”) read with the Listing Regulations, as amended, require the Board and the NRC to formulate the criteria for determining qualifications, positive attributes and independence of directors.

The Nomination and Remuneration Committee shall consider candidates from a wide variety of backgrounds, without discrimination and based on following factors, including but not limited to, in order to maintain diversity on the Board and across the management of the Company:

- 1) Gender;
- 2) Educational qualification;
- 3) Expertise and experience;
- 4) Ethnicity.

7. Principles

We believe that the Board diversity:

- Encourages good Corporate Governance practice,
- Smooth business functioning
- Gives a solution to diverse problems confronted by the Company from time to time,
- Ensures navigation of complex and dynamic issues that company faces from time to time,
- Facilitates setting up of the vision of the Company after considering all perspectives,
- Results in better decisions out of healthy debate,
- Make a Company knowledgeable and sensitive to a wider variety of groups,
- Results in effective and practical business strategy and growth plans,
- Enhances understanding of the complex business situations,
- Leads to result oriented approach and decision-making capability,
- Alert about the risks and challenges

As per legal requirement, the directors are appointed by the shareholders on the recommendation of the Board. The right to appoint the directors is one of the most important rights exercisable by the shareholders.

8. MONITORING AND REPORTING

The necessary disclosure, if any, about the Policy will also be made as per the requirements of Listing Regulations and other applicable laws. The Policy, as described herein and as applicable, shall also be disclosed in Company's annual report. The Policy shall also be disclosed on the website of Company at www.ardee.co.in for public information.

9. REVIEW OF THE POLICY

NRC will review the Policy annually including an assessment of the effectiveness of this Policy and make necessary changes as when required upon amendment of rules and regulations and as needed by the Board. In reviewing Board composition, the 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.