

POLICY ON BOARD DIVERSITY

1. PREAMBLE

Shree Nidhi Trading Limited (“the company”) recognizes its Board of Directors (“the board”) as the most important decision making body. In accordance of clause 49 of Equity Listing Agreement as amended, the company has framed a formal policy on board diversity which sets out a framework to promote diversity on company’s board of directors.

2. OBJECTIVES

The Board Diversity Policy (“the policy”) aims to set out the approach to achieve diversity on the board of directors (“the board”) of the company.

3. POLICY STATEMENT

The Company believes that a diverse Board will enhance the quality of the decisions made by the Board by utilizing the different skills, qualification, professional experience, gender, knowledge etc. of the members of the Board, necessary for achieving sustainable and balanced development.

For appointments of persons to office of directors and deciding composition of the Board, the Nomination Remuneration and Compensation Committee (NRC Committee) and the Board shall also have due regard to this policy on Board diversity.

The Board of directors of the Company shall adhere to the criteria of having an optimum combination of executive and non-executive directors with at least one woman director and the composition of the Board shall be in accordance with requirements of the Articles of Association of the Company, the Companies Act, 2013 and rules made thereunder, Listing Agreement and the statutory, regulatory and contractual obligations of the company.

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 Directors’ 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.

In reviewing Board composition, 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.

4. MONITORING AND REPORTING

The Nomination and Remuneration Committee is (among other things) responsible for:

- Formally assessing the appropriate mix of Diversity, skills, experience and expertise required on the Board and making recommendations in relation to Board succession, including the succession of the Chairman and assessing the extent to which the required skills are represented on the Board.
- Reviewing and reporting to the Board in relation to Board Diversity.

The Nomination and Remuneration Committee will report to the Board on:

- Initiatives undertaken by the Committee and progress in relation to board Diversity and to achieve the measurable objectives of the policy statement of board diversification.

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- The Remuneration and Nomination Committee will report annually, in the Corporate Governance Report, on the Board's composition under diversified perspectives, and monitor the implementation of the Policy.

The Share holders of the company are best judges in determining whether the board is diversified or not. In this connection, the company pursuant to the requirements of clause 49 of the Listing Agreement intimates its shareholders about the characteristics, qualification, work experience etc., of the proposed appointees or proposed for re-appointee in its annual report.

5. REVIEW & AMENDMENT

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), Clarification, circular(s) etc.

6. DISCLOSURE

This policy will be posted on the Company's website. The necessary disclosure about the policy will also be made as per requirements of Listing Agreement and Companies Act, 2013 and the rules made thereunder.