

# **CANARYS AUTOMATIONS LIMITED**

*(formerly known as Canarys Automations Private Limited)*

## **BOARD DIVERSITY POLICY**

## **I. INTRODUCTION:**

As prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (“Listing Regulations”), one of the key functions of the Board of a listed company is to ensure existence of a transparent board nomination process with a focus on diversity of thoughts, varied experience, industry knowledge, broader perspective, integrity and gender representation.

A diversified board not only enhances board effectiveness by ensuring rational, pragmatic and quick decision making but also better understands and connects with the stakeholders to attain the Company’s stated goals and strategic objectives.

## **II. POLICY PURPOSE:**

1. 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 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.
2. The Company maintains that the Board appointments should be based on merit that compliments and expands the skills, experience and expertise of the Board as a whole taking into account knowledge, professional experience, 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.

3. In the process of attaining a diverse Board based on the aforementioned criteria, the following criteria needs to be assessed:
  - i. The Board shall have an optimum combination of executive and non-executive directors and not less than fifty per cent of the Board of directors comprising non- executive directors.
  - ii. 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 should comprise of independent directors (where the chairman of the Board is non- executive).
  - iii. At least half of the Board of the Company shall consist of independent directors where the regular non-executive chairperson is a promoter or is related to any promoter or person occupying management positions at the level of Board or at one level below the Board as required under Regulation 17 of the Listing Regulations.
  - iv. The Board shall comprise of not less than six directors as required under Regulation 17 of the Listing Regulations.
4. The Company shall not appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy-five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.

#### **FUNCTIONAL DIVERSITY**

1. 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.

2. Knowledge of and experience in domain area such as Information technology, Banking and Finance, Corporate, Investment Banking, Legal, Risk, Management, etc., should be duly considered while making appointments to the Board level.
3. While appointing independent directors, care should be taken as to the independence of the proposed appointee.
4. Directorship in other companies may also be taken into account while determining the candidature of a person.

### **III. ROLE OF NOMINATION AND REMUNERATION COMMITTEE ('NRC'):**

1. The Nomination Committee shall be responsible for:
  - i. reviewing and assessing the 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;
  - ii. formally assessing the appropriate mix of diversity, skills, experience and expertise required on the Board and assessing the extent to which the required skills are represented on the Board;
  - iii. making recommendations to the Board in relation to Board succession, including the succession of the Chairman, to maintain an appropriate mix of Diversity, skills, experience and expertise on the Board;
  - iv. reviewing and reporting to the Board in relation to Board Diversity; and
  - v. make recommendations to the Board regarding the Measurable Objectives.

2. In reviewing the 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.
3. The Nomination and Remuneration Committee (“the Committee”), is responsible for reviewing and assessing the composition and performance of the Board, as well as identifying potential candidates for appointment as Directors to the Board.
4. Whilst selecting potential candidates the Committee shall be responsible for:
  - i. Reviewing and assessing the composition and performance of the Board.
  - ii. Identify appropriate qualified personnel to occupy Board position.
  - iii. Suggest appropriate expertise and diversity required based on future projected activities of the Company.
  - iv. Managing the process of recruiting new members to the Board, defining requisite skills and expertise and make recommendations to the Board.
  - v. Ensuring that selection process is formal and thorough and non-discriminatory.
  - vi. Review and report any changes in relation to the diversity of the Board.

#### **IV. REVIEW OF THE POLICY**

1. The NRC will review the policy annually, which will include an assessment of the effectiveness of the policy.
2. The NRC will discuss any revisions that may be required and recommend any such revisions to the Board for approval.

**V. AMENDMENTS:**

This policy adopted by the Board at their meeting held on 11<sup>th</sup> August, 2023. The Board may, subject to applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. The Board may also establish further rules and procedures, from time to time, to give effect to this Policy. Any change in regulatory provisions, rules, and regulations from time to time, the amended provisions shall prevail upon the corresponding provision of this policy from the effective date of such changes in the provisions.

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