



SERVOTECH POWER SYSTEMS LIMITED

BOARD DIVERSITY POLICY

1. PREAMBLE:

As per the requirements under the 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 ("**Listing Regulations**") and such other regulatory provisions, as applicable the Nomination and Remuneration Committee of the Company ("**NRC**") is required to devise a policy for having diversity on the board of directors ("**Board**") of Servotech Power Systems Limited ("**Company**"). The Board diversity policy ("**Policy**") sets out a framework to achieve adequate diversity on the Board of the Company.

The Company is committed to equality of opportunity in all aspects of its business and does not discriminate on the grounds of race, gender, disability and nationality, religious or philosophical belief, age or any other factors.

2. POLICY OBJECTIVES:

The Objective of this Policy of Servotech Power Systems Limited is to ensure that:

- 2.1 Company has balanced board members who bring multi-dimensional skills, experience and expertise so as to bring diversity of prospective to the business complexities the Company faces and assist the Company negative through the challenges it faces including to help also the Company in operating its business in a very effective manner.
- 2.2 This will be done over time, taking account of the valuable knowledge and experience of the present board members and the value of a more diverse board.

3. VISION:

This Policy aims to set out the approach to achieve diversity on the Company's Board. The Company recognizes and embraces the benefits of having adverse Board to enhance the quality of its performance.

4. POLICY STATEMENT:

- 4.1 With a view to achieve a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, number of aspects has been considered to maintain a diversified Board which will help in the growth of the Company and to have better governance in the Company, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge. An inclusive culture helps us to respond to our increasingly diverse global customer base. The Company's deep roots in many geographical regions and an international approach inform our perspective on diversity. All Board appointments will be based on merits, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

- 4.2 The NRC is responsible for developing measurable objectives to implement this policy and for monitoring progress towards the achievement of these objectives.

5. APPOINTMENT OF THE BOARD:

- 5.1 Board appointments will be based on various aspects including skills, relevant qualification, experience, number of company in which he/she is a director, committee positions and in the light of this evaluation, consider the role and capabilities required for a particular appointment in order to achieve the Board's target. We remain committed to meritocracy in the Board room, which requires a diverse and inclusive culture where Directors believe that their views are heard, their concerns are attended to and they serve in an environment where bias, discrimination and harassment on any matter are not tolerated.
- 5.2 The Board shall be appointed by the Shareholders' Meeting or, when applicable, by the Board of Directors itself, according to the law and the corporate bylaws. The appointment of directors to the Board should be made in accordance with a formal, rigorous and transparent process.
- 5.3 The NRC will follow the process to identify and nominate the proposed director to be appointed as per the requirement of the Company from time to time from the diversified field to the Board for its approval. The benefits of diversity continue to influence succession planning and are key criteria in the instructions to external search consultants.

6. DATA ON DIVERSITY:

The Board will regularly review the percentage of women that sit on the Board and on the Company's Management Committee. It will also monitor the number of women within the Company workforce.

7. MONITORING AND REPORTING:

Annually NRC will review this policy and assess its effectiveness in promoting a diversify board.

8. AMENDMENT OF THE POLICY:

The NRC shall review this policy on a periodic basis and recommended revision to the Board for consideration and approval.

9. INTERPRETATION:

Any ambiguities, difficulties and interpretative issues regarding this Policy shall be referred to the NRC/Board in line with the intent of this Policy read with the applicable provisions of the Companies Act, 2013 read with Rules framed thereunder and the SEBI Listing Regulations. The decision of the NRC/Board in such a case shall be final.

In the event of any conflict between the provisions of this Policy and the Companies Act, 2013 or the SEBI Listing Regulations or any other cognate statutory enactments or rules then the provisions of the Companies Act, 2013 or the SEBI Listing Regulations or such other cognate statutory enactments or rules made thereunder shall prevail over to this Policy and the part(s) so repugnant shall be deemed to severed from this Policy and the rest of the Policy shall remain in force.