



## **SMARTEN POWER SYSTEMS LIMITED**

### **POLICY ON THE DIVERSITY OF BOARD**

(Adopted by Board of Directors in its meeting held on 12/12/2024 effective from 12/12/2024.)

**SMARTEN POWER SYSTEMS LIMITED**

**CIN:** U31401HR2014PLC052897

**Registered Office:**

374, 1st Floor Pace City-2, Sector-37,

Gurgaon, Haryana, India, 122001



## A. Preamble

The Board shall have the optimum combination of the Directors the different areas/fields like production, management, quality assurance, finance, sales and marketing, supply chain, research and development, human resources, administration etc. or as may be considered appropriate. The Board shall have at least one Director who has accounting or financial management related expertise and who is financially literate.

Having a diverse and inclusive culture in the Board is essential for the success of Smarten Power Systems Limited ("**Company**").

Accordingly, the Board on 12/12/2024 has adopted the Policy on Diversity of the Board ("**Policy**") which aims to set out the approach, to achieve diversity on the Board.

## B. Definitions and Interpretation

<b>"Act"</b>	shall mean the Companies Act, 2013 and rules framed thereunder, notified by the Ministry of Corporate Affairs, Government of India, as amended from time to time;
<b>"Board"</b>	shall mean the Board of Directors of the Company;
<b>"Company"</b>	shall mean Smarten Power Systems Limited;
<b>"Directors"</b>	shall mean all the members of the Board of Directors of the Company, including the Independent Directors;
<b>"Independent Directors"</b>	shall mean the Director other than managing director or a whole-time director or a nominee director as more specifically set out under Section 149(6) of the Act, and shall also have the meaning ascribed to the term "Independent Director" under Regulation 16(1)(b) of the Listing Regulations;
<b>"Listing Regulations"</b>	shall mean The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
<b>"Nomination and Remuneration Committee"</b>	shall mean the nomination and remuneration committee constituted by the Board in accordance with the provisions of the Companies Act, 2013;



### **C. Policy Statement**

1. The Company recognises and embraces the benefits of having a diverse Board that possesses a balance of skills, experience, expertise and diversity of perspective 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:

### **D. Optimum Composition**

1. In Board shall have an optimum combination of executive and non- executive directors with at least one women director and not less than fifty per cent of the Board of directors comprising non- executive directors. The Board shall also have at least one independent woman director, if the Company is among the top 1000 listed entities based on market capitalization, as at the end of the immediate previous financial year. The Company shall have at least one-woman director on the Board to ensure that there is no gender inequality on the Board.
2. At least half of the Board should comprise of independent directors (where the chairperson of the Board is executive director) or at least one third of the Board should comprise of independent directors (where the chairperson of the Board is non- executive director).
3. 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 SEBI Listing Regulations. In compliance with Regulation 17(1)(b) of the Listing Regulations.
4. The Board shall comprise of not less than six directors, or such number of directors as may be required to be in compliance with Regulation 17 of the SEBI Listing Regulations.



5. The Company shall not appoint a person or continue the directorship of any person as a nonexecutive 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.
6. The Company shall ensure that approval of shareholders for appointment of a person on the Board of Directors or as a manager is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

#### **E. Role Of Nomination and Remuneration Committee**

1. The Nomination and Remuneration Committee (NRC), inter alia, shall be responsible for:
  - a. 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;
  - b. 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;
  - c. making recommendations to the Board in relation to Board succession, including the succession of the Chairperson, to maintain an appropriate mix of Diversity, skills, experience and expertise on the Board;
  - d. reviewing and reporting to the Board in relation to Board Diversity; and
  - e. 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.

#### **F. Review of the Policy**

1. The NRC will review the policy at regular intervals, 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.

#### **G. Penalty for Non-adherence of the Clause of the Policy**



Non – Adherence to any of the Clause as mentioned in this Policy will attract penalty of one lakh rupees which may extend to one crore rupees as prescribed under Section 15 HB of SEBI Act, 1992.

#### **H. Publication of the Policy**

The Board at its discretion may make disclosures in the Annual Report regarding Board Diversity.