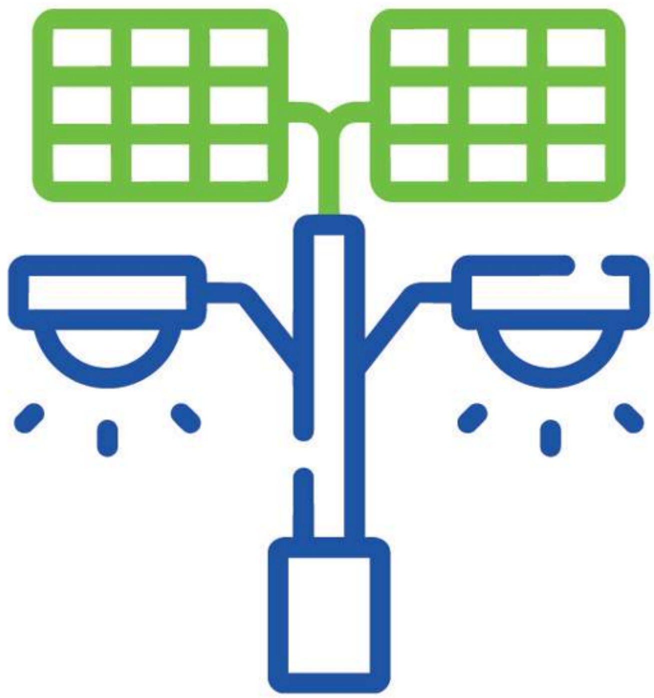
AVAADA ELECTRO



Policy on Diversity of Board of Directors

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1. DEFINITIONS

"**Applicable Law**" shall mean all applicable laws, statutes, enactments, acts of central or state legislature, ordinances, rules, regulations, notifications, guidelines, directions, directives, policies, circulars, decisions and any other pronouncements issued in accordance with the Companies Act, the SEBI Act, Listing Regulations or any other law applicable to the jurisdiction of India by any central, state, local, or other governmental, administrative or regulatory authority exercising executive, legislative, judicial, regulatory or administrative functions, including but not limited to the RBI and the Ministry of Corporate Affairs of the Government of India;

"**Board**" shall mean the board of directors of the Company;

"**Board Diversity Policy**" / "**Policy**" shall mean this policy, as amended from time to time;

"**Companies Act**" shall mean the Companies Act, 2013, and rules and regulations made thereunder, as amended from time to time;

"**Company**" shall mean Avaada Electro Limited

"**Candidate**" shall mean any person assessed by the NRC for recommendation to the Board for appointment as Director;

"**Director(s)**" shall mean a member of the Board;

"**Listing Regulations**" shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;

"**NRC**" / "**Committee**" shall mean the Nomination and Remuneration Committee of the Board;

"**RBI**" shall mean the Reserve Bank of India;

"**SEBI Act**" shall mean the Securities and Exchange Board of India Act, 1992, as amended from time to time.

2. INTERPRETATION

Unless defined expressly herein, all capitalised terms used in this Policy shall have the meanings assigned to them under the Companies Act, the SEBI Act, as amended from time to time, the Listing Regulations, the Securities Contracts (Regulation) Act, 1956, as amended from time to time, the Depositories Act, 1996, as amended from time to time.

3. BACKGROUND

As per the requirements under the Regulations 19(4) read with sub-clause (3) Para A of Part D of Schedule II of the Listing Regulations as amended from time to time and such other regulatory provisions, as applicable, the NRC is required to devise a Policy for having diversity on the Board of Directors of the Company and lay down the criteria for determining qualifications, positive attributes and independence of a Director.

Diversity in the composition of the Board of Directors is vital to handle various factors such as expansion of business, greater social responsibility, increasing emphasis on Corporate Governance, need for addressing concerns of diverse stakeholders, keeping pace with changing dynamics of the business environment and the necessity for managing risks in the business effectively. A Board composed of appropriately qualified and skilled people, with a broad range of experience relevant to the business, is important for effective corporate governance and sustained commercial advantage of a Company.

The BOD shall consist of a diverse group of individuals having skills and knowledge of business modality, who can bring fresh perspective from outside of the company and industry. The diversity should be in relation to gender, thought, experience, knowledge and perspectives.

In view of the above, the Company has framed this Policy on Board Diversity and Director Attributes ("**Policy**") that encourages diversity in terms of thought, experience, knowledge, perspective and gender in the Board so as to ensure that the Board has an appropriate blend of functional and industry expertise. The basic essence of the Policy is to provide a framework for leveraging on the differences within the expertise of the Board, offering a broad range of perspectives that are directly relevant to the business.

This Policy has been adopted by the Board of Directors of the Company, based on the recommendations of the NRC.

4. OBJECTIVES

The Company is committed to dealing with all stakeholders with full transparency and fairness, ensuring adherence to all laws and regulations, and achieving highest standards of corporate governance.

The Objectives of the Policy include:

1. The Board to drive diversity and have an appropriate blend of functional and industry expertise;
2. While recommending the appointment of a director to, inter alia, consider the manner in which the function and domain expertise of the individual contributes to the overall skill domain mix of the Board;
3. Achieve an optimum and balanced Board, with a wide range of attributes;
4. Enhance the quality of decisions making and ensure better business performance;
5. Encourage diversity of perspectives thereby fuel creativity and innovation;
6. Have an optimum mix of Executive, Non-Executive, and Independent Directors, including Women Directors; and
7. Provide better Corporate Governance

The Board Diversity Policy is framed to aid balanced decision-making by the Board, with the ability to propose, evaluate and implement effective management solutions by leveraging the unique individual experiences of Directors to further the strategic and commercial goals of the Company.

5. POLICY STATEMENT

The Company recognizes and embraces the importance of a diverse Board in its success. It believes that a truly diverse Board will leverage differences in thought, perspective, regional and industry experience, cultural and geographical background, age, ethnicity, race, gender, knowledge & skills including expertise in financial, global business, leadership, technology, mergers & acquisition, Board service, strategy sales and marketing, environment social & governance ("ESG"), risk and cyber security and other domains, which will ensure that the Company retains its competitive advantage.

Role of the Nomination and Remuneration Committee

The Company believes that a diverse Board will contribute to the achievement of its strategic and commercial objectives and also provide better Corporate Governance.
The Nomination and Remuneration Committee ("Committee") is responsible for:

- **i.** Reviewing and assessing the composition and performance of the Board.
- **ii.** Identifying appropriately qualified personnel to occupy Board positions.
- **iii.** Suggesting 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 making recommendations to the Board.
- **v.** Ensuring that the selection process is formal, thorough, and non-discriminatory.
- **vi.** Reviewing and reporting any changes in relation to the diversity of the Board.

The Nomination and Remuneration Committee (“Committee”) is responsible for reviewing and assessing the composition and performance of the Board, as well as identifying appropriately qualified persons to occupy Board positions in accordance with the relevant laws.

Accordingly, the Committee shall:

• assess the appropriate mix of diversity, skills, experience and expertise required on the Board and assess the extent to which the required skills are represented on the Board,

• make recommendations to the Board in relation to appointments, and maintain an appropriate mix of diversity, skills, experience and expertise on the Board, and

• periodically review and report to the Board requirements, if any, in relation to diversity on the Board.

Further, the Committee will ensure that no person is discriminated against on grounds of religion, race, gender, pregnancy, childbirth or related medical conditions, national origin, or ancestry, marital status, age, sexual orientation or any other personal or physical attribute which does speak to such person's ability to perform as a Board member.

The Committee shall also review that the Board of Directors of the Company shall have 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, Listing Regulations and other statutory and regulatory requirements.

This Board Diversity Policy shall be read along with the Nomination and Remuneration Policy of the Company and applies to the Board composition only and does not apply to employees of the Company.

6. **General**

Notwithstanding anything contained in this Policy, the Company shall ensure compliance with the Companies Act, Listing Regulations, guidelines issued by the RBI from time to time, and any other additional requirements as may be prescribed under any Applicable Law, either existing or arising out of any amendment to such laws / regulations, or otherwise and applicable to the Company from time to time.

7. **Amendment And Review**

The Company will review the Policy from time to time, which will include an assessment of the effectiveness of the Policy, and make recommendations on any requisite change to Board for consideration and approval. In the event of any conflict between the provisions of this Policy and any applicable law, such applicable law in force shall prevail over this Policy.

8. **Dissemination of Policy**

The necessary disclosure about the Policy will also be made as per requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.