



**HIGHNESS<sup>TM</sup>**

*One of a kind*

**POLICY ON BOARD DIVERSITY**

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**HIGHNESS MICROELECTRONICS LTD.**

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## 1. INTRODUCTION

Highness Microelectronics Limited ('Company'), a public limited listed company in India, recognizes the compelling need for boardroom diversity in today's dynamic business landscape. The Company acknowledges the strategic advantage of leveraging diverse perspectives, skills, and experiences to maintain a competitive edge and drive innovation. It seeks to have a Board of Directors ('Board') composed of members with varied backgrounds and viewpoints, who can offer a wide range of insights and ideas to guide the Company's growth and success. The Company believes that the benefits of a diverse Board extend beyond social considerations, as it can lead to improved financial performance, enhanced decision-making, and greater adaptability to changing market conditions.

## 2. LEGAL REQUIREMENT

2.1. In accordance with Regulation 19(4) read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Nomination and Remuneration Committee ('NRC') of the Board of Directors of a listed entity is mandated to devise a policy on the diversity of the board of directors that has been adopted.

2.2. As per this regulatory requirement, the Company has formulated this Policy on Board Diversity ('Policy') to ensure compliance with the Listing Regulations. The Policy underscores the Company's commitment to diversity and inclusivity and aims to promote a diverse and inclusive board composition that reflects a broad spectrum of talent, skills, and experiences.

## 3. DEFINITIONS

All the words and expressions used in this Policy, unless defined herein, shall have the meanings respectively assigned to them under the Listing Regulations as amended from time to time.

## 4. POLICY STATEMENT

The Policy is designed to create an environment that values and fosters inclusiveness, embraces a broad spectrum of talent, and champions a culture of meritocracy. The policy strives to ensure that the Board reflects diversity in its broadest sense, including but not limited to business experience, geography, age, gender, nationality, ethnicity, and race. By fostering diversity, the Company aims to enhance its competitive advantage, stakeholder engagement, and overall business performance.

## 5. GUIDING PRINCIPLES IN RELATION TO DIVERSITY

In accordance with requirements of the Articles of Association of the Company, the Companies Act, 2013, Listing Regulations and other statutory, regulatory and contractual obligations, the Board shall be composed of executive, non-executive and independent directors. The Company shall consider

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candidates from a wide variety of backgrounds, without discrimination, and based on the following factors:

5.1. **Qualifications and Expertise:** The Board shall collectively possess the requisite qualifications and expertise that align with the size, complexity, and risk profile of the company. Directors' appointments, re-appointments, elevations, and remuneration decisions shall be based on their skills, experience, expertise, and contributions during Board meetings, reflecting adherence to corporate governance norms as evidenced in their performance evaluations.

5.2. **Educational Background Diversity:** The Board shall comprise members from diverse educational backgrounds, including but not limited to disciplines such as accountancy, agriculture and rural economy, banking, co-operation, economics, finance, law, small-scale industry, information technology, payment and settlement systems, human resources, risk management, business management, and other relevant fields. The inclusion of individuals with specialized knowledge or practical experience deemed beneficial to the Company's business interests shall be a priority for the Board.

5.3. **Zero Tolerance for Unlawful Discrimination:** For embracing diversity and being inclusive, best practices to ensure fairness and equality shall be adopted and there shall be zero tolerance for unlawful discrimination and harassment of any sort whatsoever

## **6. Role of NRC**

The NRC plays a pivotal role in promoting and overseeing board diversity at the Company. The NRC shall consider the following matters in relation to board diversity:

6.1. **Enforcing Diversity Principles:** The NRC shall enforce principles that promote diversity of perspectives, encouraging creativity and innovation at the Board level.

6.2. **Candidate Evaluation:** When evaluating candidates for director appointments, the NRC shall consider factors such as age, skill sets, experience, level of independence, specific expertise, and specialized knowledge to ensure a diversified set of skills and knowledge on the Board.

6.3. **Program Evaluation:** The NRC shall review the effectiveness of induction programs for new directors and training programs for the Board to ensure that diversity goals are met.

6.4. **Performance Evaluation:** During the annual performance evaluation of the Board, Chairperson, Committees, and Independent Directors, the NRC shall assess the impact of board diversity on the overall functioning of the Board.

6.5. **Objective Setting:** The NRC shall explore measurable objectives for achieving board diversity and recommend them to the Board for adoption.

6.6. **Compliance:** The NRC shall ensure compliance with the provisions of the Companies Act, 2013, the Listing Regulations and other applicable laws.

## **7. DISCLOSURE**

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The Company shall disclose this Policy on its official website to ensure transparency and compliance with regulatory obligations. The necessary disclosure, if any, about the policy will also be made as per the requirements of the Listing Regulations and other applicable laws.

#### **8. REVIEW AND AMENDMENT**

This Policy shall be reviewed periodically by the Board of Directors to ensure its effectiveness and alignment with regulatory requirements. Any necessary revisions or updates will be recommended by the NRC and approved by the Board to enhance diversity and inclusivity within the Company's governance structure.

**For and on behalf of  
Highness Microelectronics Limited**

  
**Gaurav Manjul Kejriwal  
Managing Director**

