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Policy on Board Diversity

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Policy on Board Diversity

1. Introduction

PI Industries Limited (“Company”) recognizes the need and benefits of having a diverse Board. The Board Diversity Policy (“the policy”) is intended to set out a framework to promote diversity (i.e., on basis of ethnicity, age, gender, background, skills, industry experience etc.) on the board of the Company (“the Board”).

2. Objective

The Company believes that board diversity is about building a board that accurately reflects the make-up of the population and stakeholders of the society where the company operates.

We recognize the value of appointing Directors who will contribute a variety of diverse knowledge, perspectives, skills, experience, background and orientations to its discussion and decision - making process. Deliberations at the Board meeting will be more open, balanced, and wide-ranging if a significant degree of diversity can be achieved amongst its members in a time of global uncertainty and changed employee and consumer expectations.

In addition to helping better understand the Company's different stakeholders, multiple perspective analyses can increase the quality of stakeholder-centric decision-making and improve business success. A functionally diverse board can deliver a more comprehensive oversight of external dependencies, improve role-effectiveness, and challenge the assumptions of the executives.

Our objective is to ensure diversity within the Board, to inherently strengthen the Corporate Governance mechanism.

3. Scope

This policy is applicable only for the selection of the members of the Board, and not to the employees of the company.

4. Definitions

“Act” means the Companies Act, 2013 as amended from time to time and the related Rules.

“SEBI Listing Regulations” means the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirement) Regulations, 2015 as amended from time to time.

“Board” means the Board of Directors of PI Industries Limited

“Committee” means the duly constituted Nomination & Remuneration Committee of PI Industries Limited.

5. Policy

The Committee is responsible for assessing the Board composition and making recommendations for appointment of new Directors.

The nomination and appointment process must be transparent and unambiguous, and the Committee is responsible for nominating suitable candidates for appointment as Directors with prudence, sufficient information of the candidates and under the Company's criteria for nomination and appointment of Directors.

The Committee shall convene at least once a year and periodically review the composition of the Board and bring in Directors having skills in finance, law, banking, taxation, manufacturing, general management, global business, marketing, technology, industrial processes, governance, human resources, sustainability, and strategy amongst others.

While nominating candidates, the Committee shall:

- a. Look into the requirements of the applicable law(s) or any obligations of the Company, including the Act, SEBI Listing Regulations, and the Articles of Association of the Company:
 - i. The total number of Directors and the composition of Executive and Non-Executive Directors, with at least half the Board being Non-Executive Directors including the Chairperson
 - ii. Appointment of at least one-woman Director
 - iii. Appointment of Independent Director(s), with at least one-third of the Board being Independent Directors
 - iv. Appointment of nominee Director(s), if required under any contract / arrangement entered by the Company
 - v. Not being disqualified and not possessing any prohibiting characteristics as stipulated by relevant laws and regulations.
- b. Consider diversity in determining the optimum composition of the Board and all appointments shall be based on merit having due regard to the overall effectiveness of the Board. Candidates from a wide variety of backgrounds to incorporate Directors with diverse knowledge, skills, expertise, experience, and specialization that would benefit the Company and correspond with the Company's strategy (Board Skills Matrix) without discriminating based on gender, sexual orientation, race, nationality, color, age, social class, beliefs, religion, disability, and other factors, as further described below:
 - i. Gender parity: The Company targets gender equity on the Board
 - ii. Geography: The members of the Board should reflect the geographic diversity of the Company's operations within India and internationally.



- iii. Minority representation: The Company seeks to have representation on the Board of racial and ethnic minorities and other vulnerable groups. Wherever feasible, minorities will be included in the initial pool of candidates when selecting new Director nominees.
 - iv. Age: The Company seeks to have representation on the Board from different generations to broaden the intellectual reasoning for decision making process. The co-existence of different generations offers better cognizance of various stakeholders when developing business strategy and corporate policy.
 - v. Tenure: Tenure on the Board of existing members shall also be taken into consideration in ensure diversity of the board.
 - vi. Nominate people with diverse educational, industry / sector specific and role specific experiences from a wider talent pool, which would lead to an improved intellectual capital on the board.
- c. Consider the appropriate expertise and diversity required, based on future projected activities of the company.
 - d. Consider candidates who are active or retired senior executives with recognized experience related to Company's business.
 - e. In the event of a director's retirement from office, the Committee must reevaluate the Board's composition. The succession plans are formalized beforehand.

6. Measurable Objectives

The Committee will discuss and agree on all measurable objectives for achieving diversity on the Board annually and recommend them to the Board for adoption. At any given time, the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.



7. Monitoring & Reporting

The Committee will report to the Board, as and when requested, on the initiatives undertaken and progress made by the Committee in relation to Board Diversity and to achieve measurable objectives. It will monitor and adopt this policy while selecting members for the Board. It will also suggest training for Directors.

The Company shall provide stakeholders with sufficient information regarding this. The policy shall also be accessible on the website of the Company and the Annual Report. The policy, measurable objectives set for the implementation of the policy and the progress made will be disclosed annually in the Annual Report of the Company.

Plan for evolution of Non-Executive Directors over medium-term to maintain an appropriate mix of skills, age, gender diversity on the Board.

8. Review

- a. The Committee will review the policy once every three years to comply with changes in the law which will include an assessment of the effectiveness of the Policy.
- b. The Committee will discuss the revisions required and recommend any such revisions to the Board for approval.
- c. As and when any regulations (applicable to the subject under consideration) are amended or modified, they shall apply to the policy automatically.

9. Interpretations

Any terms used in this policy but not specified shall have the same meaning as in the Articles of Association of the Company and/or the Companies Act, 2013 or Rules promulgated thereunder. In the event of a dispute or disagreement over the meaning or interpretation of any phrase or provision in this Policy, the matter shall be addressed to the Committee, whose judgement shall be final.

Authorized Signatory:

Date:9th August 2023

Chairperson of Board of Directors

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