



MRS.BECTORS FOOD SPECIALITIES LIMITED

**POLICY ON THE DIVERSITY
OF
BOARD OF DIRECTORS**

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1. LEGAL FRAMEWORK

The policy on the diversity of Board of Directors (the “Policy”) for the Board of Directors (the “Board”) of Mrs. Bectors Foods Specialities Limited (the “Company”) has been formulated in pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to ensure that the Board is fully diversified and comprises of an ideal combination of executive and non- executive directors, including independent as well as women directors, with diverse backgrounds.

The Policy sets out the approach to have a diversity on the Board of the Company in terms of thought, experience, knowledge, perspective and gender in the Board mandated under applicable laws, rules and regulations applicable to the Company.

2. EFFECTIVE DATE

The Policy is effective pursuant to provisions of SEBI (LODR) and shall come into force with effect from the date of such Regulations taking effect with respect to the Company.

3. PURPOSE

A diverse Board includes and utilizes the different skill sets, knowledge, industry experience, background, race, gender and other qualities of the individual members as a whole. All Board appointments are done on merit, in the context of skills as required for the areas of business operations, management and also expertise in the fields of regulatory, legal, research / clinical development, human capital management, strategic planning, marketing and general administration.

The purpose of achieving diversity of the Board is directed towards objectives of:-

- Enhancement in the quality of performance of the Board;
- Usher in independence in the performance of the Board;
- Eradicate the gender bias in the Board;
- Achievement of sustainable and balanced performance and development in the Company;
- Support the attainment of strategic objectives of the Company;
- Compliance of applicable law/s and good practices; &
- Promoting good corporate governance.

4. SCOPE

The Policy applies to the composition of the Board only.

5. MEANING OF DIVERSITY

The term “Diversity” of Board of Directors has not been defined. Diversity is achieved, functionally, residence and gender wise, whereby the Board has an optimum combination of executive, non-executive, independent, resident, woman director and small shareholders director/s. It would also mean that the individuals to be appointed as member of the Board should have diverse background, education, experience, knowledge, thoughts, perspective, functional expertise, independence, age and gender. Diversity would further include differences that relate to communication styles, problem solving & interpersonal skills.

6. POLICY STATEMENT

The Company recognizes and believes that a diverse Board enhances the quality of the decisions made by the Board by utilizing different skills, qualifications, professional experiences, knowledge, gender, ethnicity, background and other distinguished qualities of the members of the Board, necessary for driving business, achieving competitive advantage, effective corporate governance, and sustainable and balanced development.

The Company maintains that Board appointments are to be based on merit that complements and expands the skills, experience and expertise of the Board as a whole taking into account discrete characteristics reflected in the Individual members, that the Board might consider relevant to function effectively and efficiently.

The Company sees increasing diversity at Board level as an essential element in maintaining a competitive advantage.

7. DEFINITIONS

“**Act**” means the Companies Act, 2013 (or the Companies Act, 1956 to the extent applicable) and Rules made thereunder, notified by the Ministry of Corporate Affairs, Government of India, as amended.

“**Board**” means Board of Directors of the Company.

“**Company**” means Mrs. Bectors Food Specialities Limited.

“**Director**” means a director appointed to the Board of the company.

“**Listing Regulations / SEBI (LODR)**” mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as notified by The Securities and Exchange Board of India, as amended, from time to time.

“**Nomination and Remuneration Committee (NRC)**” means a Committee of Directors constituted under the requirements of Section 178 of Companies Act, 2013, read with rules made thereunder.

“**Policy**” means Policy on the diversity of Board of directors.

“**Rules**” means the rules made under the Act.

“**SEBI**” means the Securities and Exchange Board of India.

8. BRIEF OVERVIEW OF THE LAWS

➤ COMPANIES ACT, 2013 AND ITS RULES :

{Sections 149, 151 & 152 of the Companies Act, 2013 & Companies (Appointment and Qualification of Directors), Rules 2014 & Section 178 & Companies (Meetings of Board and its Powers), Rules 2014}

- Every company shall have a Board of Directors consisting of individuals as directors and shall have minimum three directors and maximum fifteen directors in case of public company.
- Every listed company i.e. a company upon getting its securities listed at a recognized stock exchange has to appoint at least one woman director on the Board. Any intermittent vacancy shall be filled up at the earliest but not later than immediate next Board meeting or three months from the date of such

vacancy, whichever is later.

- Every Company shall have at least one director who stays in India for a total period of not less than 182 days during the financial year.
- Every listed company shall have at least one-third of the total number of directors as independent directors whose period of office is not liable to determination by retirement by rotation.
- Independent Director shall meet the criteria of Independence.
- Any intermittent vacancy in the office of independent director shall be filled up at the earliest but not later than immediate next Board meeting or three months from the date of such vacancy, whichever is later.
- Unless the articles provide for the retirement of all directors at every Annual General Meeting, Not less than two third of the total number of directors of a public company shall be persons whose period of office is liable to determination by retirement of directors by rotation.
- The Board of Directors of every listed company shall constitute the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half shall be independent directors.
- The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- A listed company may have one director elected by small shareholders.

➤ **Regulation 17 of the Listing Regulations:**

- The Board of Directors of the company shall have an optimum combination of executive and non-executive directors with at least one woman director (woman independent director for top 1000 listed companies) and not less than fifty percent {50% } of the Board of Directors comprising non-executive directors.
- Where the Chairman of the Board is a non-executive director, at least one- third {1/3} of the Board shall comprise independent directors and in case the company does not have a regular non-executive Chairman, at least half i.e. {50% } of the Board should comprise independent directors.
- Where the regular non-executive Chairman is a promoter of the company or is related to any promoter or person occupying management positions at the Board level or at one level below the Board, at least one-half {50% } of the Board of the company shall consist of independent directors.
- A listed entity shall not appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect.
- With effect from April 1, 2022, the top 500 listed companies shall ensure that the Chairperson of the

board of such listed companies shall -

- (a) be a non-executive director;
- (b) not be related to the Managing Director or the Chief Executive Officer.

9. GUIDING PRINCIPLES

In the process of attaining a diverse Board based on the aforementioned criteria, the following norms are assessed:

I. Optimum composition

- a) The Board has an optimum combination of Executive and Non-executive Directors and not less than fifty per cent of the Board of Directors comprise of Non-executive Directors.
- b) At least half of the Board comprise of Independent Directors (where the Chairman of the Board is Executive) or at least one-third of the Board comprise of Independent Directors (where the Chairman of the Board is Non-executive).
- c) The Company shall continue to have at least one Woman Director on the Board to ensure that there is no gender inequality on the Board. In case the Company falls under top 100 listed companies by market capitalization, it shall appoint at least one woman independent director.

II. Functional diversity

- a) Appointment of Directors to the Board of the Company is based on specific needs and business of the Company. Appointment is done based on the qualification, knowledge, experience and skill of the proposed appointee which is relevant to the business of the Company.
- b) Knowledge and experience in domain areas such as Finance, Legal, Risk Management, FMCG and / or foods & beverages sector etc., is duly considered while making appointments to the Board level.
- c) While appointing Independent Directors, care is taken as to the independence of the proposed appointee.
- d) Directorships in other companies is also taken into account while determining the candidature of a person.

III. Stakeholder diversity

The Company may also have Directors on its Board representing the interest of any financial institution or any other person in accordance with the provisions of its Articles of Association and/or any agreement between the Company and the nominating agency.

10. ROLE OF NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee ('NRC') of the Board shall *inter alia* be responsible for:

- 1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees while ensuring that;
 - (a) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
 - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the

working of the Company and its goals.

- 2) Formulation of criteria for evaluation of Independent Directors and the Board;
- 3) Devising a policy on Board diversity;
- 4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance (including Independent Director);
- 5) Determining whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of directors;
- 6) Assessing the independence of Independent Directors; and
- 7) Such other key issues/matters as may be referred by the Board or as may be necessary in view of the provision of the Companies Act 2013 and Rules thereunder.

The Committee shall also review the Board composition in terms of the size of the Board, the composition of executive and non-executive directors and the composition of independent directors, each of which shall be in accordance with the requirements of the Articles of Association of the Company, the Companies Act, 2013, the Listing Regulations and other statutory / regulatory requirements.

11. MONITORING, REPORTING AND REVIEWING

The Committee shall support in laying down a succession plan and drive the understanding of talent across the organization and support development programme for the Board. As a part of the exercise, it will also review and suggest training for directors. Amongst the key requirements is to plan for the evolution of non-executive directors over the medium term to maintain appropriate mix of skills, age and gender diversity on the Board.

The Committee will conduct an annual review of the policy (including a review of the effectiveness of the Policy), discuss any changes with the Board and ensure that there visions to the Policy are approved by the Board.

The Company shall provide sufficient information about this policy to its shareholders, and provide information regarding the composition of the Board, the areas of expertise of each director and their qualification / characteristics etc. The necessary disclosures about the policy and other details should be made as per the requirements of the SEBI (LODR) and Companies Act, 2013. The policy shall be made available on the website of the Company.

12. DISCLOSURE

The Company shall disclose this Policy on its website

13. AMENDMENTS TO THE POLICY

This Policy would be subject to modification in accordance with the guidelines / clarifications as may be issued from time to time by relevant statutory and regulatory authority.

The Board shall have the power to clarify any doubts or rectify any anomalies that may exist in connection with the effective execution of this Policy. The Board reserves the right to amend this Policy from time to time based on changing requirements as prescribed by SEBI/Stock Exchange(s) or any other appropriate Statutory Authority.
