

SHAKTHI KNITTING LIMITED

POLICY ON BOARD DIVERSITY

1. Purpose of this Policy:

This Policy on Board Diversity (**the 'Policy'**) sets out the approach to diversity on the Board of Directors (**'Board'**) of Shakthi Knitting Limited (**the 'Company'**). Board diversity helps in addressing concerns and the perspective of all key stakeholders. It enables the Company to keep pace with changing business dynamics.

2. Scope of Application:

The Policy applies to the Board of the Company.

3. Policy Statement:

The Company recognises and embraces the benefits of having a diverse Board of Directors and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage in the complex business that it operates. The Company believes that a truly diverse Board will leverage differences in thought, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will ensure that the Company retains its competitive advantage.

The Company believes that a diverse Board will contribute to the achievement of its strategic and commercial objectives, including to:

- a. Drive business results;
- b. Help the Company build a better Board that can draw upon broad range of perspectives, as well as experience and knowledge;
- c. Make corporate governance more effective;
- d. Enhance quality and responsible decision making capability;
- e. Encourage healthy and open discussion and promoter independence of judgement;

- f. Ensure sustainable development; and
- g. Enhance the reputation of the Company.

The Nomination and Remuneration Committee (**'Committee'**) is responsible for reviewing and assessing the composition of the Board and will make recommendations to the Board on the appointment of new directors. The Committee will also review the structure, size and diversity of the Board as required and make recommendations on any proposed changes to the Board to complement the Company's objectives and strategy.

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 not speak to such person's ability to perform as a Board member.

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, the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (the "Listing Regulations") and the statutory, regulatory and contractual obligations of the Company.

While all appointments to the Board will continue to be made on merit, the Committee will consider the benefits of diversity (including but not limited to the attributes listed above) in identifying and recommending persons for Board membership, as well as in evaluating the Board and its individual members.

4. Review of the Policy:

The Committee will review this Policy on a regular basis and recommend appropriate revisions to the Board for approval.
