

CAMPUS ACTIVEWEAR LIMITED

BOARD DIVERSITY POLICY

1. INTRODUCTION:

- 1.1. The Policy on Board Diversity (the “**Policy**”) sets out the approach to diversity on the Board of directors (the “**Board**”) of CAMPUS ACTIVEWEAR LIMITED (the “**Company**”).
- 1.2. This Policy is being adopted by the Company to comply with the applicable rules and regulations of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time (“**Listing Regulations**”).
- 1.3. Based on the recommendation of Nomination and Remuneration Committee, this Policy has been approved by the Board in its meeting held on 18.04.2022.

2. POLICY STATEMENT

- 2.1. The Company recognises and embraces the benefits of having a diverse Board that possesses a balance of skills, experience, expertise and diversity of perspectives appropriate to the requirements of the businesses of the Company. The Company sees diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions between directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately.
- 2.2. The Company maintains that the Board appointments should be based on merit that compliments and expands the skills, experience and expertise of the Board as a whole taking into account knowledge, professional experience, qualifications, gender, age, cultural and educational background, and any other factors that the Board might consider relevant and applicable from time-to-time for it to function effectively.
- 2.3. In the process of attaining a diverse Board based on the aforementioned criteria, the following criteria needs to be assessed:

A. Optimum Composition

1. The Board shall have an optimum combination of executive and non- executive directors with atleast onewoman director and not less than fifty per cent of the Board of directors comprising of non- executive directors at any time or as required under Listing Regulations.
2. At least half of the Board should comprise of independent directors where the company does not have regular non-executive director as chairperson of the Board or at least one third of the Board should comprise of independent directors where the chairman of the Board is non-executive or as required under Listing Regulations.
3. At least half of the Board of the Company shall consist of independent directors where the regular non-executive chairperson is a promoter or is related to any promoter or person

occupying management positions at the level of Board or at one level below the Board or as required under Listing Regulations.

4. The Company 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, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.
5. The Company shall ensure that approval of shareholders for appointment of director on Board of Directors, is taken at next general meeting or within three months from date of appointment, whichever is earlier.

Functional diversity

1. Appointment of directors to the Board of the Company should be based on the specific needs and business of the Company. Appointments should be done based on the qualification, knowledge, experience and skill of the proposed appointee which is relevant to the business of the Company.
2. Knowledge of and experience in domain area such as Information technology, Banking and Finance, Corporate Governance, Investment Banking, Legal, Risk, Management, etc., should be duly considered while making appointments to the Board level.
3. While appointing independent directors, care should be taken to the independence of the proposed appointee.
4. Directorship in other companies may also be taken into account while determining the candidature of a person.

B. Stakeholder diversity

1. 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.
2. Subject to the provisions of section 151 of the Companies Act, 2013 read with the relevant rules made thereunder, the Company may, upon notice of not less than one thousand small shareholders or one-tenth of the total number of such shareholders, whichever is lower, have a small shareholders' director elected by small shareholders.

3. ROLE OF NOMINATION AND REMUNERATION COMMITTEE

3.1 The Nomination and Remuneration Committee shall be responsible for:

- (1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors of the Company (the

“Board” or “Board of Directors”) a policy relating to the remuneration of the directors, key managerial personnel and other employees (“Remuneration Policy”).

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

- (i) 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.
 - (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (iii) 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) For every appointment of an independent director, evaluating the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, preparing a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Nomination and Remuneration Committee may: (a) use the services of an external agencies, if required; (b) consider candidates from a wide range of backgrounds, having due regard to diversity; and (c) consider the time commitments of the candidates
- (3) Formulation of criteria for evaluation of independent directors and the Board.
- (4) Devising a policy on Board diversity.
- (5) 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 carrying out evaluation of every director’s performance (including independent director).
- (6) Deciding whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- (7) Determining the Company’s policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors.
- (8) Recommending to the board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary.
- (9) Carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.
- (10) Reviewing and approving the Company’s compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws.

- (11) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, if applicable.
- (12) Frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time; and
- (13) Perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority.

3.2 In reviewing the Board composition, NRC will consider the benefits of all aspects of diversity including, but not limited to, those described above, in order to enable it to discharge its duties and responsibilities effectively.

4. REVIEW OF THE POLICY

- 4.1. The NRC will review the policy at such intervals as may be deemed appropriate and to comply with any regulatory requirements.
- 4.2. The NRC will discuss any revisions that may be required and recommend any such revisions to the Board for approval.