

POLICY ON DIVERSITY OF BOARD OF DIRECTORS



SOLARWORLD ENERGY SOLUTIONS LIMITED

(formerly known as Solarworld Energy Solutions Private Limited)

1. INTRODUCTION

Pursuant to 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, as amended from time to time, the Nomination and Remuneration Committee (“NRC”) of the Board of Directors of a listed entity is mandated to devise a policy on diversity of board of directors.

As per regulation Regulation 4(2) (f) of the SEBI (LODR) Regulation 2015 it is the Responsibility of the Board of Director of the Company to ensuring a transparent nomination process to the board of directors with the diversity of thought, experience, knowledge, perspective and gender in the board of directors.

In line with the above requirements, the NRC has framed a comprehensive Board Diversity Policy to promote an appropriate mix of skills, experience, gender, age, and cultural background on the Board of Directors (“the Board”). This Policy also outlines the criteria for determining the qualifications, attributes, and independence of Directors, and the NRC shall be responsible for its implementation and monitoring.

2. OBJECTIVES OF THE POLICY

The Objectives of the Policy include:

- i. Board to drive diversity and have an appropriate blend of functional and industry expertise;
- ii. To help the Company build a balanced Board that can draw upon a wide range of perspectives, expertise, knowledge and experience;
- iii. To encourage healthy and open discussion and promote independence of judgement in Board and Committee deliberations; and
- iv. To have an optimum mix of Executive, Non-Executive and Independent Directors, including Women Directors.

3. SCOPE OF THE POLICY

The Policy applies only to the Board of Directors of the Company and does not apply to employees of the Company. Further this Policy applies to the composition of the Board of the Company and shall be effective for appointments and reconstitution of the Board as and when required.

This Policy, as amended and approved by the Board of the Company at its meeting held on February 11, 2025, shall come into effect from the said date.

4. DEFINITIONS AND INTERPRETATIONS:

For the purpose of this Board Diversity Policy the following terms shall have the meanings assigned to them hereunder:

- i. **“Applicable Law(s)”** include any statute, law, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, notification and clarification issued by any governmental or statutory or regulatory authority or other governmental instruction and/or mandatory standards, as may be applicable to the Company, and as amended from time to time.

- ii. **“Board”** means the Board of Directors of the Company.
- iii. **“Board Diversity Policy”** means this policy, as amended from time to time.
- iv. **“Committee”** means the Nomination and Remuneration Committee of the Board.
- v. **“Company”** means Solarworld Energy Solutions Limited.
- vi. **“Independent Director”** means a director appointed as such in accordance with the relevant provisions of the Companies Act and SEBI Listing Regulations.
- vii. **“Remuneration”** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
- viii. **“SEBI Listing Regulations”** means Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Words and expressions used and not defined in this Board Diversity Policy shall have the meaning ascribed to them in the SEBI Listing Regulations, the Securities and Exchange Board of India Act, 1992, as amended, the Securities Contracts (Regulation) Act, 1956, as amended, the Depositories Act, 1996, as amended, or the Companies Act and rules and regulations made thereunder.

5. PRINCIPLES RELATING TO BOARD DIVERSITY

- i. A transparent Board nomination process in place that encourages diversity of thought, experience, skills, knowledge, perspective, age, nationality, gender, cultural and educational background.
- ii. An appropriate blend of functional and industry expertise and skills in the Board. Decisions pertaining to appointment/ re-appointment, elevation and remuneration of Directors shall be based on their skills, experience, expertise, contributions during deliberations at meetings of the Board and adherence to corporate governance norms as reflected in the outcomes of their performance evaluation.
- iii. Adoption of best practices to ensure fairness and equality and transparency whilst appointing Directors and ensuring zero tolerance for discrimination based on caste, creed, gender, ethnicity, religion, disability, colour or otherwise.
- iv. A range of views, thoughts, insights, perspectives, and opinions to improve its decision-making and benefit to the Company’s stakeholders.

6. BOARD DIVERSITY

The Committee shall ensure that the Board shall have an optimum combination of executive, non-executive and independent directors in accordance with requirements of the Companies Act, SEBI Listing Regulations and other statutory, regulatory and contractual obligations of the Company.

The Company recognises the benefits of having a diverse Board and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. The Company believes that a truly diverse Board will leverage differences in thought,

perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, race, and gender, which will ensure that the Company retains its competitive advantage. The Company further believes that a diverse Board will contribute towards driving business results, make corporate governance more effective, enhance quality and responsible decision-making capability, ensure sustainable development, and enhance the reputation of the Company.

The Committee shall review the profile of the prospective candidates for appointment as Director on the Board by taking into consideration knowledge, experience, financial literacy/ expertise, global market awareness and other relevant factors as may be considered appropriate, and the Board shall be so constituted with mix of members to maintain high level of ethical standards. The Committee shall also take into consideration the provisions of the Companies Act, SEBI Listing Regulations, and other statutory, regulatory, and contractual obligations of the Company.

In the process of attaining a diverse Board based on the aforementioned criteria, the following criteria needs to be assessed for:

i. Optimum Composition

- a) The Board shall have an optimum combination of executive and non-executive directors and not less than fifty per cent of the Board of directors comprising non-executive directors.
- b) At least half of the Board should comprise of independent directors (where the chairman of the Board is executive) or at least one third of the Board consisting of independent directors (where the chairman of the Board is non- executive).
- c) The Company shall have at least one-woman director on the Board to ensure that there is no gender inequality on the Board.

Further the Company shall take necessary steps to appoint at least one Independent Woman Director on the Board of the Company as required under Regulation 17 of SEBI Listing Regulations based on the market capitalisation.

ii. Stakeholder Diversity

- a) 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.
- b) Subject to the provisions of Section 151 read with the relevant rules made thereunder of the Companies Act, 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.

7. ROLE OF NOMINATION AND REMUNERATION COMMITTEE (NRC):

The NRC shall be responsible for reviewing and assessing the composition and performance of the Board, as well as identifying appropriately qualified persons to occupy Board positions in accordance with the relevant laws.

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 Nomination Committee shall be responsible for:

- a) formally assessing the appropriate mix of Diversity, skills, experience and expertise required on the Board and assessing the extent to which the required skills are represented on the Board;
- b) making recommendations to the Board in relation to Board succession, including the succession of the Chairman, to maintain an appropriate mix of Diversity, skills, experience and expertise on the Board;
- c) recommending to the Board all remuneration in whatever form payable to senior management.
- d) evaluation of the balance of skills, knowledge and experience on the Board while making appointment of an independent Director and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director.
- e) reviewing and reporting to the Board in relation to Board Diversity; and
- f) periodically review and report to the Board requirements, if any, in relation to diversity on the Board.

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.

8. MONITORING AND REPORTING

The NRC shall have the power, subject to applicable laws, to review the policy periodically and amend any of the provisions or substitute any of the provisions with a new provision or replace the policy entirely with a new policy.

The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this policy and amplify the objective of good corporate governance.

9. AMENDMENTS

The Committee may modify and/or amend the Board Diversity Policy at any time subject to the provisions of the SEBI Listing Regulations and the Companies Act and any other applicable law.

10. DISCLOSURE OF THE POLICY

The Company shall disclose this Policy on its website www.worldsolar.in. The necessary disclosure, if any, about the policy will also be made as per the requirements of SEBI Listing Regulations and other applicable laws.

11. LIMITATIONS

In the event of any conflict between the provisions of this Policy and the Companies Act, 2013 or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy.

Any subsequent amendment/modification in the SEBI Regulations, Companies Act, 2013 and/or any other applicable laws in this regard shall automatically apply to this Policy.