

SHANKARA BUILDING PRODUCTS LIMITED

BOARD DIVERSITY POLICY

1. PURPOSE

In accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “**SEBI Listing Regulations**”), Shankara Building Products Limited (the “**Company**”) has framed a formal policy on board diversity (this “**Policy**”) which sets out a framework to promote diversity on Company’s board of directors (the “**Board**”). This Policy applies only to the members of the Board and not to the employees of the Company.

2. VISION

The Company recognizes the importance and benefits of having the diverse Board to enhance quality of its performance.

3. EFFECTIVE DATE

This Policy shall be effective from **19TH SEPTEMBER, 2016**

4. POLICY STATEMENT

The Company believes that a diverse Board will enhance the quality of the decisions made by the Board by utilizing the different skills, talents, qualifications, professional experience, gender, knowledge, etc. of the members of the Board, necessary for achieving sustainable and balanced development. The Company maintains that Board appointments should be based on merit that complements and expands the skills, experience and expertise of the Board as a whole.

For appointments of persons to office of directors and deciding composition of the Board, the Nomination and Remuneration Committee (“**NR Committee**”) and the Board shall also have due regard to this policy on Board diversity.

The Companies Act, 2013, as amended and the rules made thereunder (the “**Companies Act**”) require the Board and the NR Committee to formulate the criteria for determining qualifications, positive attributes and independence of directors.

The NR Committee/ Board will take into consideration the qualification and wide experience of the directors in the fields of retail, manufacturing and processing, finance, regulatory, consultancy, administration, legal, apart from compliance of legal and contractual requirements of the Company. Further, the NR Committee/ Board will ensure transparency in the nomination process to the Board, keeping in mind along with diversity of thought, experience, knowledge, perspective and gender on the Board.

5. CONSTITUTING THE BOARD

The total number of directors constituting the Board shall be in accordance with the Articles of Association of the Company subject to the provisions of the Companies Act and the SEBI Listing Regulations. The Board of the Company shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than 50% of the Board comprising non-executive directors. When the chairperson of the Board is a non-executive director, at least one-third of the Board shall comprise of independent directors and when the Company does not have a regular non-executive chairperson, or when the regular non-executive chairperson is a promoter or related to any promoter or person occupying management position at the Board level or at one level below the Board, at least half of the Board shall comprise of independent directors. The composition of the Board shall be in accordance with requirements of the Articles of Association of the Company, the Companies Act, the SEBI Listing Regulations and other statutory, regulatory and contractual obligations of the Company.

6. STAKEHOLDER DIVERSITY

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

Subject to the provisions of Section 151 of the Companies Act, the Company may, upon notice of not less than 1,000 shareholders or one-tenth of the total number of such shareholders, whichever is lower, have a small shareholders' director elected by the small shareholders.

7. REVIEW OF POLICY

The NR Committee will review the policy annually, which will include an assessment of the effectiveness of this Policy. In reviewing Board composition, the NR Committee 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.

The NR Committee will also assess Board composition on behalf of the Board and recommend to the Board, the appointment of new directors based on their qualification, positive attributes and independence.

8. DISCLOSURE OF THE POLICY

The necessary disclosure about this Policy will also be made as per requirements of the SEBI Listing Regulations and the Companies Act, 2013 and the rules made thereunder.