

SWARNSARITA GEMS LIMITED

POLICY ON BOARD DIVERSITY

Objective:

As per SEBI (LODR) Regulations, 2015, the Nomination & Remuneration Committee of the Board (NRC) shall device a Policy on 'Board Diversity'. Swarnsarita Gems Limited (the "Company") Board is presently fully diversified and comprises of an ideal combination of executive and non-executive directors, the latter being independent directors with diverse backgrounds.

This Policy on Board Diversity (the "Policy") sets out the approach to diversity on the Board of Directors (the "Board") of the Company.

Applicability:

The Policy applies to the Board of Swarnsarita Gems Limited (*the "Company"*).

Policy Statement:

The Company recognizes 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. It is recognized that a Board composed of appropriately qualified people with broad range of experience relevant to the business of the Company is important to achieve effective corporate governance and sustained commercial success of the Company.

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 amongst Directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. At a minimum, the Board of the Company shall consist of at least one woman Director. All Board appointments are made on merit, in the context of the skills, experience, independence, knowledge and integrity which the Board as a whole requires to be effective.

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

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 should comprise of independent directors (where the Chairman of the Board is non-executive).

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- 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.

Functional diversity

- a) Appointment of directors to the Board of the Company should be based on specific needs and business of the Company. Appointment should be done based on the qualification, knowledge, experience and skill of the proposed appointee which is relevant to the business of the Company.
- b) Knowledge of and experience in domain areas such as finance, legal, risk management, industry, etc., should be duly considered while making appointments to the Board level.
- c) While appointing independent directors, care should be taken as to the independence of the proposed appointee.
- d) Directorships in other companies may also be taken into account while determining the candidature of a person.

Role of NRC

NRC of the Board shall review and assess Board composition on behalf of the Board and shall recommend to the Board, the appointment of new directors based on their qualifications, positive attributes and independence.

In reviewing 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.

Review:

The NRC will review the Policy as and when required, which will include an assessment of the effectiveness of the Policy.

The NRC will discuss any revisions that may be required and recommend any such revisions to the Board for approval.