



BOARD DIVERSITY POLICY

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1. Introduction

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 19(4) of the SEBI (Listing Obligations and Disclosure Requirements) (hereinafter called as “SEBI Listing Regulations”), the Board of Directors of the Company have constituted a Nomination and Remuneration Committee (“NRC”).

The NRC has formulated a **Board Diversity Policy** (the “**Policy**”) to formulate criteria to determine the qualifications, attributes and independence of Directors, and will be responsible for implementation of this Policy.

2. Purpose of the Policy

The purpose of this policy is to recognize and embrace the benefits of having a diverse Board which possesses a balance of skills, experience, expertise and diversity of perspectives appropriate to the requirements of the business of the Company.

The Policy ensures that:

- a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run business of the Company successfully;
- b) Relationship of remuneration to performance is clear and meets appropriate performance benchmark;
- c) Remuneration to Directors 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.

3. Definitions

“**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.

“**Board**” The Board of Directors of Tracxn Technologies Limited, as constituted from time to time as per the relevant laws and rules and regulations.

“Company” means Tracxn Technologies Limited

“Director” means a member of the Board

“Employees’ Stock Option” means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.

“Independent Director” means a director appointed as such in accordance with the relevant provisions of the Companies Act, 2013, rules made thereunder and SEBI Listing Regulations; and amendments thereto.

“Nomination and Remuneration Committee” shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations.

“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.

Any other terms used in this Policy, and not defined herein, shall have the same meaning as assigned to such terms under the Act and the SEBI Listing Regulations or any other Applicable Law.

4. Norms of the Policy

The Company recognises and believes that a diverse Board will improve the quality of the Board's decisions by utilising different skills, qualifications, professional experiences, knowledge, gender, ethnicity, background, and other distinguished qualities, etc. of the Board's members, which are required for driving business results, achieving competitive advantage, and effective corporate governance.

The Company also believes that Board appointments should be made on merit, taking into account discrete characteristics reflected in individual members that the Board may deem relevant to the Board's ability to function effectively and efficiently.

The composition of the Board shall be in accordance with the Articles of Association of the Company, the Companies Act, 2013, the SEBI Listing Regulations, and the

Company's other statutory, regulatory, and contractual obligations will govern the composition of the Board.

No person shall be discriminated against on the basis of religion, race, gender, marital status, age, sexual orientation, or any other personal characteristic or physical attribute which does not affect the person's ability to perform as a Director.

Based on the aforementioned criteria, the following norms must be evaluated in the process of creating a diverse Board:

Optimum Composition

- a) The Board shall have an optimum combination of Executive and Non-executive Directors, with Non-executive Directors constituting at least 50% of the Board of Directors.
- b) at least half of the Board should be comprised of Independent Directors (where the Chairman of the Board is Executive), or at least one-third of the Board should be comprised of Independent Directors (where the Chairman of the Board is Non-executive).
- 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) The appointment of Directors to the Board of Directors of the Company should be based on the Company's specific needs and business. Appointment should be made based on the proposed appointee's qualifications, knowledge, experience, and skill that are relevant to the Company's business.
- b) Knowledge and experience in domain areas such as finance, legal, risk management, education, and other industries, among others, should be taken into account when making appointments to the Board level.
- c) When appointing Independent Directors, care should be taken to ensure the proposed appointee's independence.
- d) Directorships in other companies may also be considered when determining a candidate's candidature.

Stakeholder diversity

In accordance with the provisions of its Articles of Association and/or any agreement between the Company and the nominating agency, the Company may also have Directors on its Board representing the interests of any financial institution or any other person.

5. Board Diversity

The Board shall consist of such optimum number of Directors as per the requirements of the Act and Regulations.

The Committee will lead the process for Board appointments and forward its recommendations to the Board. All Board appointments will be based on the skills, diverse experience, independence and knowledge, which the Board as a whole requires to be effective. The Committee shall address Board vacancies by actively considering candidates that bring a diversity of background and industry experience or related expertise. The candidates will be considered against objective criteria having due regard to the benefits of diversity on the Board.

Additionally, the Committee may consider appointment of experts from various specialized fields such as finance, law, information technology, corporate strategy, marketing, business development, international business, operations management or any other professional area, so as to bring diversified skill sets on Board or succeed any outgoing Director with the same expertise.

As per Regulation 25 (7) of the Regulations, the Committee shall familiarize the Independent Directors through various programs about the Company, including the following:

- a) nature of the industry in which the Company operates;
- b) business model of the Company;
- c) roles, rights, responsibilities of Independent Directors; and
- d) any other relevant information

6. Disclosures

The Company shall disclose this Policy on its website as well as in the Annual Report.

7. Amendment

Any amendment or modification in the applicable regulation relating to this Policy shall automatically be applicable to the Company.

Note: This policy has been approved by the Board of Directors of the Company at their meeting held on 12th August 2021.