

HAPPY STEELS LIMITED

POLICY ON THE DIVERSITY OF BOARD OF DIRECTORS

1. INTRODUCTION

This Policy on Board Diversity (the ‘Policy’) sets out HAPPY STEELS LIMITED approach to ensuring adequate diversity in its Board of Directors (the ‘Board’) and is formulated by the Nomination and Remuneration Committee of the Board and is compliant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI LODR Regulations’) and the Companies Act, 2013.

This Policy shall come into force from the date of listing of equity shares of the Company on the stock exchanges.

2. OBJECTIVE

The Company recognizes and embraces the importance of a diverse Board and believes that a diverse Board will have differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, which will help the Company retains its competitive advantage. The Diversity in the board is increasingly recognized by the government, stock exchanges, companies, shareholders and other stakeholders as an essential component of good corporate governance that ultimately contributes to the achievement of its strategic and commercial objectives and sustainability. The ultimate objective is to have a board that offers a broad range of perspectives that are directly relevant to the business and organizational needs. The purpose of achieving diversity of the Board is directed towards objectives of:-

- Enhancement in the quality of performance of the Board;
- Usher in independence in the performance of the Board;
- Eradicate the gender bias in the Board;
- Achievement of sustainable and balanced performance and development in the Company;
- Support the attainment of strategic objectives of the Company;
- Compliance of applicable law/s and good practices; &
- Promoting good corporate governance.

Diversity is whereby the Board has an optimum combination of executive, non-executive, independent and woman director. It would also mean that the individuals to be appointed as member of the Board should have diverse background, education, experience, knowledge, thoughts, perspective, functional expertise, independence, age and gender. Diversity would further include differences that relate to communication styles, problem solving & interpersonal skills,

3. DEFINITIONS

“Act” means the Companies Act, 2013 (or the Companies Act, 1956 to the extent applicable) and Rules made thereunder, notified by the Ministry of Corporate Affairs, Government of India, as amended.

“Board” means Board of Directors of the Company.

“Company” means Happy Steels Limited.

“Director” means a director appointed to the Board of the company.

“Listing Regulations / SEBI (LODR)” mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as notified by The Securities and Exchange Board of India, as amended, from time to time.

“Nomination and Remuneration Committee (NRC)” means a Committee of Directors constituted under the requirements of Section 178 of Companies Act, 2013, read with rules made thereunder.

“Policy” means Policy on the diversity of Board of Directors.

“Rules” means the rules made under Act.

“SEBI” means the Securities and Exchange Board of India.

4. SCOPE

The Policy applies to the composition of the Board.

5. POLICY OVERVIEW

The Company aims to enhance the effectiveness of the Board by diversifying its composition so that the Company gets the benefit out of such diversity in better and improved decision making.

The composition of the Board shall ensure representation from:

- i. Individuals having varied skills / expertise / competencies for the effective functioning of the Board and Company;
- ii. Individuals having requisite qualifications, tenure, experience & age;
- iii. Appropriate mix of cultural, geographical and gender diversity;
- iv. Appropriate mix of independent and non-independent directors in accordance with the Companies Act, 2013 and SEBI LODR Regulations.

6. ROLE OF NOMINATION AND REMUNERATION COMMITTEE

1. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carrying out evaluation of every director's performance.

2. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees. While formulating the policy, the Committee shall consider the following:

- (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) 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.

- 3. Formulation of criteria for evaluation of Independent Directors and the Board;
- 4. Devising a policy on Board diversity;
- 5. Whether to extend or continue the term of appointment of the independent director, based on the report of performance evaluation of independent Directors
- 6. Such other matters as may be prescribed under the Act, Listing Regulations and or by the Board of Directors of the Company from time to time.

7. RESPONSIBILITY & POLICY REVIEW

The NRC will review the policy from time to time and make recommendations on any required changes to Board for consideration and approval.

8. DISCLOSURES

The necessary disclosure about the policy, if any, will also be made as per requirements of SEBI LODR Regulations and the Companies Act 2013.

9. AMENDMENTS TO THE POLICY

This Policy would be subject to modification in accordance with the guidelines/clarifications as may be issued from time to time by relevant statutory and regulatory authority.

The Board shall have the power to clarify any doubts or rectify any anomalies that may exist in connection with the effective execution of this Policy. The Board reserves the right to amend this Policy from time to time based on changing requirements as prescribed by SEBI/Stock Exchange(s) or any other appropriate Statutory Authority.

For HAPPY STEELS LIMITED
Deepak Garg
Director

For HAPPY STEELS LIMITED
Anil Kumar Garg
Managing Director
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