

**POLICY ON BOARD DIVERSITY  
OF  
SPICE ISLANDS APPARELS  
LIMITED**

***(THIS POLICY IS APPROVED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE COMPANY IN ITS MEETING HELD ON 14TH NOVEMBER, 2014 TO BE EFFECTIVE FROM THAT DATE)***

## **BOARD DIVERSITY POLICY**

This policy is in line with Clause 49 (IV-B) of the Listing Agreement entered into with the Stock

Exchanges, which requires the Company to lay down a Board Diversity Policy.

### **PURPOSE**

The Board Diversity Policy ('the Policy') sets out the approach on the diversity of the Boards of

Directors of Spice Islands Apparels Limited ('the Board')

### **APPLICATION**

This Policy applies to the Board of Directors of the Company.

### **POLICY STATEMENT**

The Company recognizes and embraces the benefits of having a diverse Board, and understands increasing diversity at Board level as an essential element in maintaining a competitive advantage.

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 between Directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately.

All Board appointments are made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to remain effective.

- In reviewing the Board composition, the Nomination and Remuneration 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.
- In identifying the suitable candidates for appointment on the Board, the Nomination &
- Remuneration Committee will consider candidates on merit against objective criteria

- and with due regard for the benefits of diversity on the Board.
- □ As a part of the annual performance evaluation of the effectiveness of the Board, and
- individual Directors, the Nomination & Remuneration Committee will consider the
- balance of skills, experience, independence and knowledge of the Director on the Board
- and the diversity representation of the Board, including gender diversity, as to how the
- Board works together as a unit, and other factors relevant to its effectiveness.
- □ At Company level, the Nomination & Remuneration Committee while considering the
- Company's diversity will take into consideration three strategic pillars:
- a. **Our Customers** - to leverage diversity as a business driver ;
- b. **Our Communities** - to be a leader in diversity and inclusion in the business and
- broader community; and
- c. **Our People** - to attract, recruit, engage and retain diverse talent.

## **PRINCIPLES**

This policy is centered on the following core principles:

- i. **Meritocracy**- decisions about recruitment, development, promotion and remuneration are based on performance and capabilities;
- ii. **Fairness and Equality** - embracing diversity and being inclusive means we do not tolerate unlawful discrimination, bullying, harassment or victimization;
- iii. **Contribution to commercial success** - diversity and inclusion initiatives are based on sound business principles and objectives.

## **MEASURABLE OBJECTIVES**

The Nomination & Remuneration Committee will endeavor for achieving diversity on the Board and recommend them to the Board for adoption.

## **MONITORING& REVIEWING**

The Nomination & Remuneration Committee shall be responsible for:

- i. 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;
- ii. 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; and
- iii. reviewing and reporting to the Board in relation to Board Diversity.

### **REVIEW OF THE POLICY**

The Nomination & Remuneration Committee will review the Policy periodically, which will include an assessment of the effectiveness of the Policy, and will recommend any such revisions to the Board for its approval.

Approved by the Board of Directors of the Company at its meeting held on 14th November, 2014.