MODERN INSULATORS LIMITED

CIN: L31300RJ1982PLC002460
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POLICY ON BOARD DIVERSITY

1. BACKGROUND

Pursuant to Regulation 19(4) read with Part D of the Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), the nomination and remuneration committee of the Board of Directors of a listed entity is required to devise a policy on diversity of Board of Directors.

In compliance with the SEBI Listing Regulations, the Company has formulated the policy on diversity of Board of Directors. This policy on Board Diversity (the "Policy") for the Board of Directors (the "Board") of **Modern Insulators Limited (the "Company")** has been formulated by the Board, based on the recommendation of the Nomination, Remuneration and Compensation ("NRC") Committee, in accordance with the LODR Regulations, to assure that the Board is fully diversified and comprises of an ideal combination of executive and non-executive directors, including independent directors, with diverse backgrounds.

2. OBJECTIVE

The objective 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.

3. SCOPE

The Policy applies to the composition of the Board only and does not apply to diversity in relation to the employees of the Company. This Policy would take effect upon listing of the securities of the Company in the Stock Exchange(s).

4. POLICY STATEMENT

The Company recognizes and believes that a diverse Board will enhance the quality of the decisions made by the Board by utilizing different skills, qualifications, professional experiences, knowledge, gender, ethnicity, background and other distinguished qualities etc. of the members of the Board, necessary for driving business results, achieving competitive advantage, effective corporate governance, and sustainable and balanced development.

The Company also maintains that Board appointments should be based on merit that complements and expands the skills, experience and expertise of the Board as a whole taking into account discrete characteristics reflected in the Individual members, that the Board might consider relevant 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, LODR Regulations as well as other statutory, regulatory and contractual obligations of the Company. In the process of attaining a diverse Board based on the aforementioned criteria, the following norms needs to be assessed:

I. 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 shall comprise of 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).

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.

II. 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 and experience in domain areas such as Finance, Legal, Risk Management, company related 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.

III. Stakeholder diversity

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

5. ROLE OF NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee ("NRC"), inter alia, is responsible for reviewing and assessing the composition of the Board as well as for identifying and recommending appropriately qualified candidature(s), to hold Directorship in the Company, to the Board of Directors where and if need be.

6. REVIEW OF THE POLICY

The NRC will review this Policy periodically and recommend appropriate revisions to the Board.

7. AMENDMENTS TO THE POLICY

The NRC Committee 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 NRC 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.

This Policy is being formulated keeping in mind the applicable laws, rules, regulations, and standards in India. If there is an amendment in such laws, rules, regulations, and standards, then this Policy shall be deemed to have been amended to the extent of such amendment. Conversely, if due to subsequent amendment in the statutory provisions, this Policy or any part hereof becomes inconsistent, such amended statutory provisions shall prevail and this Policy shall be deemed to be amended to that extent.

8. DISCLOSURE OF THE POLICY

The Company shall disclose this Policy on its website. The necessary disclosure, if any, about the policy will also be made as per the requirements of LODR Regulations and Companies Act 2013.

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