



AUTOMOTIVE AXLES LIMITED

BOARD DIVERSITY POLICY

PURPOSE

The Board Diversity Policy ('Policy') sets out the approach to diversity on the Board of Directors ('Board') of Automotive Axles Limited ('AAL').

SCOPE

This policy applies to the Board and not to the employees generally.

POLICY STATEMENT

The Company recognises and embraces the importance of a diverse Board and believes that a truly diverse Board will leverage difference in thought, knowledge, perspective, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender which will ensure that AAL retains its competitive advantage.

AAL believes that a diverse Board will contribute to the achievement of its strategic and commercial objectives, including:

- To drive business results
- Make Corporate Governance more effective.
- Enhance quality and responsible decision making capability
- Ensure sustained development
- Enhance the goodwill of the Company.

Considering the above, the following parameters has been identified for having a diverse Board of the Company:

A. Optimum Composition

- a. The Board shall have optimum composition of executive and non-executive Directors and not less than fifty percent of the Board of Directors shall comprise of non-executive Directors.
- b. The Board shall consist of:
 - i. At least half of the Independent Director where the Chairman of the Board is executive: or
 - ii. At least one third of Independent Director where the Chairman of the Board is non-executive.
- c. The Company shall have at least one Woman Director on the Board to ensure there is no gender inequality on the Board.

B. Functional Diversity

- a. Appointment of Directors to the Board of the Company shall be based on the specific needs and business of the Company. Appointment shall be made based on the qualification, knowledge, experience and skill set of the proposed appointee which is relevant to the business of the Company.
- b. Knowledge and experience in the relevant domain area such as engineering, banking and finance, marketing, human resource, investment banking, legal, risk, management etc. shall be duly considered while making appointment to the Board level.



- c. While appointment of Independent Director care shall be taken so that independence of the proposed appointee is in accordance with the Act and the Listing Regulations.
- d. Directorships in other companies may also be taken into account while determining the candidature of a person.

ROLE OF NOMINATION AND REMUNERATION COMMITTEE (Committee):

The Committee is responsible for reviewing and assessing the composition and performance of the Board, as well as identifying appropriately qualified person to occupy the Board position.

While all appointments to the Board will continue to be made on the merits, the Committee will consider the benefits of diversity (including but not limited to the attributes listed above) in identifying and recommending persons for the Board membership as well as in evaluating the Board and its individual members.

RESPONSIBILITY AND REVIEW:

The Nomination and Remuneration Committee will review the policy from time to time and discuss any revision that may be required and recommend any such revision to the Board for its approval.

Date: May 18, 2017
Place: Pune

For Automotive Axles Limited

A handwritten signature in black ink, appearing to read 'Dr. B N Kalyani'.

Dr. B N Kalyani
Chairman

