Board Diversity Policy

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1. Introduction

Farmson Basic Drugs Private Limited ("the Company" or "Farmson") is committed to maintaining sound governance practices and ensuring that the Board of Directors has an appropriate balance of skills, experience, knowledge and diverse perspectives.

This Board Diversity Policy ("the Policy") provides a framework for considering diversity in the composition of the Board. Farmson believes that a diverse and well-balanced Board supports informed decision-making, effective oversight, constructive discussions and long-term organizational growth.

Farmson is an unlisted private company. This Policy has been adopted voluntarily as a good governance practice and shall be implemented subject to the provisions of the Companies Act, 2013, rules made thereunder, Articles of Association and other applicable laws, to the extent applicable to the Company.

The Objective of this Policy is to set out the Company's approach to achieving and maintaining an appropriately diverse Board, while ensuring that all appointments are made on the basis of merit, integrity, competence, experience, suitability and expected contribution to the Company.

2. Scope

This Policy applies to the Board of Directors of Farmson.

This Policy does not apply to employees, workers, contract workers, trainees, apprentices, probationers, interns, temporary staff, agency personnel or visitors, who may be covered under separate workplace policies.

3. Definitions:

The definitions of some of the key terms used in this Policy are given below. Capitalized terms not defined herein shall have the meaning assigned to them under the Code.

a) **"Board or "Board of Directors"** means the Board of Directors of Farmson.

b) **"Board Diversity"** means diversity among Board members in terms of skills, experience, knowledge, age, gender, educational background, professional background, geography, nationality, functional expertise, cultural perspectives, race, ethnicity, industry exposure, Independence of thought and other attributes relevant to effective Board functioning.

4. Guidelines/Principles

Farmson recognizes that diversity at Board level adds value by bringing different perspectives, experience and judgement to Board discussions.

All Board appointments shall be made on the basis of merit, integrity, competence, experience and expected contribution to the Company. While considering appointment or re-appointment of Directors, the Company may consider diversity across one or more of the following areas.

a) Gender
b) Age and general perspective
c) Race and ethnicity, where legally permissible and relevant
d) Nationality, country of origin and cultural background
e) Educational background and professional qualification
f) Pharmaceutical, API, chemical, manufacturing and quality experience
g) regulatory, compliance and governance experience

h) Finance, audit, taxation and risk management experience

i) Environment, health and safety and sustainability knowledge

j) International business, customer exposure, supply chain and market exposure

k) Independence of thought and sound judgement

Farmson shall not discriminate against any person on grounds unrelated to the person's ability and suitability to perform responsibilities as a Board member.

5. Board Composition

Farmson shall endeavour to maintain a Board with an appropriate mix of skills, experience and perspectives relevant to the Company's size, nature of business and operations.

The Board should collectively possess knowledge and experience in areas such as pharmaceutical manufacturing, quality, regulatory compliance, finance, governance, risk management, environment, health and safety, and stakeholder management.

The Company shall endeavour to improve gender diversity on the Board and may consider other diversity attributes such as nationality, cultural background, race and ethnicity, where legally permissible and relevant

6. Responsibilities

The Board shall be responsible for:

a) Reviewing the composition of the Board from time to time.

b) Considering diversity, skills and experience while approving or recommending appointment of Directors.

c) Ensuring that Board appointments are made on merit and objective criteria.

d) Identifying gaps in skills, experience, independence or diversity, where required.

e) Reviewing this Policy and approving amendments, where required.

f) considering succession planning for Board-level positions

7. Communication and Accessibility

The Company may communicate this Policy to relevant internal and external stakeholders through appropriate communication channels.

The Policy may be maintained as an internal governance document and may be shared with stakeholders, customers or other relevant parties, where required and approved by the Company.

8. Review of Policy

This Policy shall be reviewed periodically by the Board or as required due to changes in law, business requirements, governance practices or stakeholder expectations.

Any amendment to this Policy shall be approved by the Board of Directors.

9. Records

The Company shall maintain appropriate records relating to this Policy.

c. To register the suggestions received from Suggestion Box.

d. Scrutiny of suggestions for preliminary acceptance.

II. Screening Committee

a. Evaluation / recommendation of accepted suggestions for rewards, Scrutiny and evaluation of Suggestions.

b. Implementation of the suggestions found acceptable and approved.

c. To ensure uniform implementation of the schemes at company level and act as a monitoring agency.

9. Communication Decision

The suggester whose suggestion is accepted shall be intimated by the HR Coordinator. Similarly in the event of suggestion being nominated for Company Level Award, the suggester would be informed and advised to appear in the function where the Award shall be presented to him

10. Presentation of Awards

Award at company level will be presented on 01st Oct of every year.

11. Organisational Rights

The decision of the Management regarding the Eligibility of Suggester, Acceptance or Rejection of the Suggestion, Nature & Value of Rewards shall be final. The Management reserves the right to Change / Modify or Withdraw the Suggestion Policy as deemed necessary.

Review of Policy

The Policy shall be reviewed on or before 31st, March 2029.