Eastman Auto & Power Limited

Policy on Diversity of Board of Directors

(Approved by the Board at its meeting held on September 22, 2025)

1. BACKGROUND

The policy on diversity of Board of Directors (the "**Policy**") of **EASTMAN AUTO & POWER LIMITED (the "Company")** has been made pursuant to Section 178 of the Companies Act, 2013 read with Regulation 19(4) read with Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**SEBI Listing Regulations**") as an when become applicable to the Company, setting out framework to promote diversity on the Board.

The board of directors (the "**Board**") and the Nomination and Remuneration Committee (the "**Committee**") of the Company has adopted this Policy in their meetings held on September 22, 2025.

2. OBJECTIVE

The diversity in the composition of the Board is essential in view of the expansion of business, gender equality, greater social responsibility, increasing emphasis on corporate governance, need for addressing concerns of diverse stakeholders and the necessity for managing risks in the business effectively. Hence, the policy brings below objective:

- To enhance the quality, sustainable and balanced performance of the Board;
- To bring in subject matter expertise on various businesses and functions that have an impact on the Company;
- To promote views keeping gender sensitivity in mind;
- To comply with SEBI Listing Regulations and to ensure diversity of thought, experience, knowledge, perspective and gender in the Board;
- To usher in unbiased independence in the performance of the Board; and
- To bring in a wider spectrum of viewpoints for decision making.

3. SCOPE

This policy is applicable only for the selection of the members of the Board, and not to the employees of the company.

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.

In the process of attaining a diverse Board based on the abovementioned criteria, the following norms needs to be assessed:

(a) Optimum composition

- **i** The Board shall have an optimum combination of Executive and Non-Executive Directors with at least one-woman director and not less than fifty percent of the Board of Directors shall comprise of Non-executive Directors.
- **ii** At least half of the Board should comprise of Independent Directors (where the Chairman of the Board is Executive or Non-Executive Chairperson is a promoter of the listed entity or is related to any promoter or person occupying management positions at the level of board of director or at one level below the board of directors) or at least one-third of the Board should comprise of Independent Directors (where the Chairman of the Board is Non-Executive).
- **iii** The Board shall comprise of not less than six directors & woman Independent Director as required under Regulation17 of the SEBI Listing Regulations.
- **iv** Appointment of nominee Director(s), if required under any contract / arrangement entered by the Company.
- **v** The appointment of all Directors shall be subject to the articles of association of the Company, provisions of the Companies Act, 2013, and the SEBI Listing Regulations including any modifications thereto from time to time.

(b) Functional diversity

- **i** 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.
- **ii** Knowledge and experience in domain areas such as Finance, Legal, Risk Management, and also across industries as may be deemed beneficial for the business of the Company, should be duly considered while making appointments to the Board level.
- **iii** While appointing Independent Directors, care should be taken as to the independence of the proposed appointee.
- **iv** Directorships in other companies may also be taken into account while determining the candidature of a person.

It is always the endeavor of the organization to maintain Board diversity while retaining its philosophy of selection and appointment of board members on the basis of merit.

(c) Stakeholder diversity

Subject to the provisions of Section 151 of the Act read with the relevant rules made thereunder, the Company may, upon notice of not less than one thousand small shareholders or one-tenth of the total number of such shareholders, whichever is lower, have a small shareholders' director elected by small shareholders**.**

5. ROLE OF NRC

The NRC shall review and assess Board composition and shall recommend to the Board, the appointment/ re-appointment of Directors based on their qualification, expertise, positive attributes, experience and independence among other matters as may be considered relevant by the NRC. In reviewing Board composition, NRC 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.

6. AMENDMENTS

The Board may subject to applicable laws is entitled to amend, suspend or rescind this Policy at any time. The Policy shall be reviewed as and when required to ensure that it meets the objectives of the relevant legislation and remains effective. In the event of any conflict between the provisions of this Policy and of the applicable law, such applicable law in force from time to time shall prevail over this Policy. Any subsequent amendment/modification in the applicable laws in this regard shall automatically apply to this Policy. Any difficulties or ambiguities in the Policy will be resolved by the Board in line with the broad intent of the Policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy.

7. REVIEW OF THE POLICY

The NRC will review this Policy, from time to time, to ensure the effectiveness of the Policy. The NRC will discuss any revisions that may be required in its discretion and recommend to the Board for consideration and approval.

8. DISCLOSURE OF POLICY

The Company shall disclose this Policy on its website i.e. **www.eaplworld.com.** The necessary disclosure, if any, about the policy will also be made as per the requirements of SEBI Listing Regulations and the provisions of the Companies Act, 2013.

9. EFFECTIVE DATE

The Policy shall be effective from the date of listing of the equity shares of the Company on the stock exchange(s).