



BOARD DIVERSITY POLICY

OF

FOMENTO RESORTS AND HOTELS LIMITED

1. Purpose

The Board Diversity Policy ('the Policy') is adopted in compliance with the provisions of Clause 49(IV)(B) of the Equity Listing Agreement and sets forth the approach to diversity on the Board of Directors of the Company ('the Board'). The Company is committed to equality of opportunity in all aspects of its business and does not discriminate on the grounds of skills, regional and industry experience, background, race, gender, disability, nationality, religious or philosophical belief, age, family status or any other factor for appointing a person as a Director of the Company. 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.

The Company recognizes and embraces the benefits of having a diverse Board that possesses a balance of skills, experience, expertise and diversity of perspectives appropriate to the requirements of the business of the Company. The Company sees increasing diversity at Board level as an essential element in maintaining a competitive advantage.

2. Applicability

The Policy applies to the Board. It does not apply to diversity in relation to employees of the Company.

3. Policy

The Company continuously seeks to enhance the effectiveness of its Board so as to maintain the highest standards of corporate governance and for this it embraces diversity in the board room. The Company sees diversity as a wide concept and believes that 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 and would support the attainment of its strategic objectives and its sustainable development.. These differences should be considered in determining the optimum composition of the Board. In determining its approach on diversity, the Company should also take into account other factors including its own business model, ethics, policies and industry specific needs from time to time.

4. Criteria

In the process of attaining a diverse Board based on the aforementioned criteria, the following criteria 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 percent of the Board of Directors comprising Non-Executive directors.
- b. Atleast half of the Board should comprise of Independent Directors (where the Chairman of the Board is executive) or atleast one-third of the Board consisting of Independent Directors (where the Chairman of the Board is non-executive).
- c. The Company shall have atleast 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 the specific needs and business of the Company appointments 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 of and experience in domain areas such as Tourism and Hospitality industry, Legal, Finance, Accounting, Risk Management, Human resources, 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.

5. Review of Composition of the Board

Nomination and Remuneration Committee

The Nomination and Remuneration Committee has primary responsibility for identifying suitably qualified candidates to become members of the Board and, in carrying out this responsibility, shall give adequate consideration to this Policy.

In reviewing Board composition, the Committee shall 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. The Committee must annually establish Measurable Objectives for achieving Diversity on the Company's Board.

The selection of candidates shall be based on a range of diversity perspectives, including but not limited to gender, age, culture and educational background, ethnicity, professional experience, skills and knowledge. The ultimate decision shall be based on merit, objective criteria and contribution that the selected candidates will bring to the Board and the Company.

6. Review of the Policy

The Nomination and Remuneration Committee shall review the Policy from time to time and recommend any revisions to the Board for approval.
