

PREAMBLE

The Board of Directors (the "Board") of Elgi Equipments Limited has adopted the following policy and procedures with regard to Board Diversity as below. The Board may review and amend this policy from time to time. This Policy will be applicable to the Company effective 01st October 2014. This Policy is in terms of Clause 49 of the Listing Agreement with the Stock Exchanges.

POLICY

The Nomination and Remuneration Committee is conscious of the increased focus on Board diversity and acknowledges all aspects of diversity including age, gender, religion and race in the Board's composition. Diversity enhances quality of deliberations and decision making, making the Board and senior management more effective. While committed to a diverse Board, the Nomination and Remuneration Committee will always be guided to strike an appropriate balance of skills, background, experience, independence and knowledge when recommending candidates for the Board's appointment. Board appointments are ultimately based on merit, measured against objective criteria laid down by the Nomination and Remuneration Committee, the need to maintain optimum size with a balance of executive, non-executive and independent Directors, with due regard for the benefits of diversity on the Board, statutory requirements and the Candidates' belief in, and commitment to practice, the Elgi Values.