

EVALUATION OF POLYCAB'S GOVERNANCE FRAMEWORK VIS-À-VIS G20 – OECD PRINCIPLES OF CORPORATE GOVERNANCE

The Company evaluated its Governance framework in conjugation with the following six evaluative parameters of the OECD Principles to gauge that business aspirations were achieved in an ethical manner that fosters transparency, accountability and equitable treatment:

- Effective Corporate Governance framework
- Rights and equitable treatment of shareholders and key ownership functions
- Institutional investors, stock markets and other intermediaries
- Disclosure and transparency
- Responsibilities of the board
- Sustainability and resilience

OUTCOME OF EVALUATION OF POLYCAB'S GOVERNANCE FRAMEWORK VIS-À-VIS G20 – OECD PRINCIPLES OF CORPORATE GOVERNANCE

The Company delved further into its Governance framework vis-à-vis principles outlined by OECD for evaluating its current processes and for steering the Company's strategic objectives and stakeholder aspiration whilst continuing to focus on sustainable growth. The outcome of the evaluation as detailed below not only aided in evaluating the existing framework, further set the grounds for upgradation:

1. EFFECTIVE CORPORATE GOVERNANCE FRAMEWORK

The Company had during the previous financial year revamped its Corporate Governance Framework which promotes transparent and fair markets, and the efficient allocation of resources. Further, the Framework embedded requirements consistent with the rule of law and support effective supervision and enforcement which forms part of the OECD principles. The framework had been evaluated during the current financial year as detailed above in this Report.

2. EQUITABLE TREATMENT OF SHAREHOLDERS

Fair treatment and protection of rights of shareholders regardless of their size or influence, being at the heart of corporate governance, formed the essence for conducting and managing the overall affairs of the Company such as the Meetings, framing policies, and procedures. The OECD principles resonated protection and facilitation of exercise of shareholders' rights further ensuring equitable treatment

of all shareholders, including minority and foreign shareholders. The Company had correspondingly in its framework endowed the stakeholders with opportunity to exercise their rights and obtain effective redress for violation of their rights at a reasonable cost and without excessive delay. The shareholders are constant made aware of their rights which are further enumerated in this Report.

3. INSTITUTIONAL INVESTORS, STOCK MARKETS AND OTHER INTERMEDIARIES

The OECD principles emphasises the need of incorporating sound incentives throughout the investment chain and provides for stock markets to function in a way that contributes to good corporate governance. The Corporate Governance Framework of the Company encourages twoway communication and involves actively and continually with its stakeholders through various mediums to provide uniform and prompt updates and information thus minimising conflicts of interest that may compromise the integrity of their analysis. The Company further engages effectively with their investors, such as proxy advisors, analysts, brokers, ESG rating and data providers, credit rating agencies and index providers and act on the advice provided by them from time to time. The methodologies used by the stakeholders are transparent and publicly available.

4. DISCLOSURE AND TRANSPARENCY

Transparency being the cornerstone of good governance, the Company provided accurate and timely disclosures / information about their financial performance, governance structure and other material disclosures thereby empowering stakeholders to make informed decisions. The OECD requires the framework to ensure that proper, timely and accurate disclosure is made uniformly to all on all material matters. The Company has incorporated in its framework adequate checks and balances for disclosures regarding the Company, including the financial situation, material events, performance, sustainability, ownership and governance of the Company. The Company keeps its stakeholders informed on the update emanating from within the Company and external factors affecting the Company.

5. RESPONSIBILITIES OF THE BOARD

The OECD Principles reckons that the Governance framework should ensure strategic guidance and effective monitoring of governance by the Board, and the Board's accountability to the Company and the stakeholders including its shareholders be documented. The Board of Directors play a pivotal role in governance which is well documented in the Governance Framework under the pillar 'Structure'. The Board is entrusted with the task of overseeing the Company's strategic direction ensuring its social and legal compliance. The Board exercises discretion recognising its fiduciary duty lies not just with the Company but also

extends to its shareholders. The Structure in the CG Framework adopted by the Company defines the role of each tier of the Structure including the Board. The Board demonstrates effective governance by reviewing and guiding the corporate strategy, aligning it with the Company's long-term goals and values. The Board serves as an ombudsman, ensuring that Management team's actions are in line with the Company's objectives through regular interactions, evaluation, and monitoring, thus mitigating risks and ensuring that the company is on the right track. Accountability is a central tenet of governance. The board is further accountable to both the Company and its stakeholders. This means that they must answer for their decisions and actions, fostering a culture of responsibility.

6. SUSTAINABILITY & RESILIENCE

The OECD guidelines resonated that CG framework should provide incentives for companies and their investors to make decisions and manage their risks alongside their sustainability goals, in a way that contributes to the overall growth of the Company. The Framework adopted by the Company provides platform for making well-informed decisions and taking informed risks that promote efficient allocation of capital whilst supporting companies' long-term sustainability and resilience aspirations. The framework further describes risk vis-à-vis risk management in conjugation with preparedness for threats, absorption of impacts, recovery and adaption following a disruptive event. The Framework further embraces sustainability and resilience by embedding environmental, social and governance related aspects into business goals