



SURYODAY SMALL FINANCE BANK

**POLICY TO PROMOTE
DIVERSITY OF
BOARD OF DIRECTORS**

Index

1. Title	2
2. Background	2
3. Objective	2
4. Policy Implementation	2
5. Policy Review	3

SURYODAY SMALL FINANCE BANK LIMITED

POLICY TO PROMOTE DIVERSITY ON THE BOARD OF DIRECTORS

1. TITLE

This policy shall be called the ‘Policy to promote diversity on the Board of Directors’ or ‘Board Diversity Policy’.

2. BACKGROUND

Pursuant to Regulation 19(4) read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“ **SEBI Listing Regulations**”), the Nomination and Remuneration Committee (NRC) of the Board of Directors (“Board”) of a listed entity is required to devise a policy on diversity of Board of Directors. The Bank has formulated this Policy in compliance with the SEBI Listing Regulations,

3. OBJECTIVE

- 3.1 The objective of this Policy is to provide a framework and set standards for having a diversified Board which would facilitate better decision making leveraging different qualifications, skills, knowledge and experience of the Board members and offering broader perspectives that are directly relevant to the business.
- 3.2 The Bank further believes that a diversified Board enhances board effectiveness and contributes towards driving business results, making corporate governance more effective, enhancing the quality and decision making capability, ensuring sustainable development and enhancing the reputation of the Bank.

4. POLICY IMPLEMENTATION

- 4.1 The NRC shall ensure that the Board of the Bank has an optimum combination of executive, non-executive and independent directors (including one independent woman director) in accordance with requirements of the Companies Act, 2013 and rules made thereunder, Listing Regulations, Banking Regulation Act, 1949 and other guidelines/circulars issued by the Reserve Bank of India (“RBI”) and other statutory, regulatory and contractual obligations of the Bank.
- 4.2 The NRC shall review the profile of the prospective candidates for appointment as Director on the Board taking into consideration knowledge, experience, financial literacy / expertise, global market awareness and other relevant factors as may be considered appropriate and the Board shall be so formulated with mix of members to maintain high level of ethical standards.
- 4.3 The NRC shall follow the process laid out in the Board-approved Policy for appointment and remuneration of Directors and senior management personnel and accordingly:
 - i) the Board shall have a majority of Independent Directors at all times;
 - ii) the NRC shall carry out assessment with respect to “fit and proper” criteria based on

declarations provided by the proposed appointee;

- iii) all Board appointments shall be done on merit, in the context of skills as required for the areas of the Bank's business operations, management and also special knowledge and / or practical experience in the areas/fields specified under extant RBI regulations or applicable law and as required for achieving the objectives of the Bank;
- iv) the NRC shall also assess appropriate mix of qualifications, skills, industry knowledge and experience amongst the existing Board members and the proposed appointees so as to ensure the right mix of diversity with the highest levels of personal and professional ethics and integrity in the Board as a whole, keeping in mind the current business operations, future growth, diversification plans and also the need to fill in the competency gaps, if any.

5. POLICY REVIEW

- 5.1 This Policy shall take effect from the date of listing of the Bank and shall be available on the website of the Bank and requisite disclosure will be made in the Annual Report.
 - 5.2 This Policy may be amended, modified or supplemented from time to time to ensure compliance with any modification, amendment or supplementation to the Listing Regulations and RBI Regulations/Directions/Circulars/Guidelines or other extant requirements under applicable law.
 - 5.3 The NRC shall monitor and review this Policy as and when necessary and recommend changes, if any, to the Board for its approval.
-
-