SMFG India Home Finance Company Limited

Policy on Board Diversity

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1. Background

In terms of Regulation 62 (G) read with Part D of Schedule II the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") , the Nomination & Remuneration Committee ("NRC") is required to formulate and adopt a Policy on Board Diversity and recommend the same to Board of Directors of the Company, for their approval.

2. Board diversity

This section of the Policy sets out the approach the Company would adopt whilst ensuring Board diversity to enhance its effectiveness whilst discharging its fiduciary obligations toward the shareholders and other stakeholders of the Company.

The Company shall also consider the principles relating to fit and proper norms and independence, as prescribed by the Reserve Bank of India (RBI), the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI), whilst determining the composition of its Board.

3. Principles relating to diversity

To ensure that the Board is endowed with appropriate balance of skills, experience, and diversity of perspectives, it shall adhere to the following principles relating to Board Diversity:

i. All appointments to the Board shall be subject to requisite diligence under the fit and proper norms prescribed by the RBI and after considering the regulatory and business needs of the Company.
ii. The Board shall collectively possess requisite qualifications, expertise and experience commensurate with size, complexity and risk profile of the business of the Company.
iii. The Board shall be represented by members from diverse background including but not limited to educational, industry experience, finance, law, small-scale industry, information technology, core industries, infrastructure sector, payment and settlement systems, human resources, risk management & business management, perspective, thought and such other matters the special knowledge or and practical which in the opinion of the Board would be in the business interest of the Company.
iv. Adoption of best practices to ensure fairness and equality and transparency whilst appointing Directors and ensuring zero tolerance for discrimination based on caste, creed, gender, ethnicity, religion, disability, color or otherwise.
v. As mandated under the governance norms, adequate representation of women on its Board.

4. Role of NRC

The NRC shall also take into consideration the following matters whilst dealing with Board Diversity:

i. Apply the said principles to bring in diversity of perspectives and encourage creativity and innovation at the Board level.
ii. Whilst evaluating candidates for appointment as a Director of the Company, it shall consider candidature on merits in the context of their age, skill, experience, level of independence, specific expertise and specialized knowledge, to meet the business needs, and to provide the Board diverse set of skills, knowledge, practical experience.
iii. Whilst reviewing the annual performance of the Board, the Chairperson, the Committees and the Independent Directors, the NRC shall assess the impact of the diversity of Board to its overall functioning.

iv. Complying with provisions of the Companies Act, 2013 and Listing Regulations, in respect of induction of Woman Director.

5. Review

This Policy shall be reviewed by the Board at least once in a year and shall be amended as and when any changes are to be incorporated in the Policy due to change in applicable law/regulations or as may be felt appropriate.

In the events of inconsistency of this Policy with any legal provisions, the provisions of the law shall override this Policy.