

Srei Infrastructure Finance Limited

Policy on Board Diversity

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1. Introduction

Board diversity is vital to handle various factors such as rapid deployment of technology, greater social responsibility, ever rising emphasis on corporate governance, enhanced need for risk management, etc. so as to facilitate effective management of the business of Srei Infrastructure Finance Limited ('SIFL' or the 'Company') and to keep pace with changing dynamics of the business environment. The Policy provides a framework for having a diversified Board

The Company believes that appropriate diversity of membership on the Board of Directors of the Company will enable the Company to more effectively realise its vision.

This Policy on Board Diversity ('Policy') sets out the approach to diversity on the Board of Directors ("Board") of the Company.

2. Objectives

A truly diverse Board should be able to make good use of diversity in skills, regional and industry experience, expertise, educational background, language and other traits of each Director. These diversities should be considered whilst determining the composition of the Board and balanced appropriately.

The Company shall also consider the principles relating to fit and proper person and other norms as may be prescribed by the Reserve Bank of India (RBI) and the Ministry of Corporate Affairs (MCA) whilst determining the composition of its Board.

In pursuit of the above, it is SIFL's Policy :

- i. To drive diversity and have an appropriate blend of functional and industry expertise on the Board;
- ii. To help the Company build a better Board that can draw upon a wide range of perspectives, expertise, knowledge and experience;
- iii. To achieve an optimum and balanced Board, with a wide range of attributes;
- iv. To encourage healthy and open discussion and promote independence of judgement in Board and Committee deliberations; and
- v. To have an optimum combination of Executive, Non-Executive and Independent Directors, including Women Directors. Such combination shall also comply with all the applicable statutory requirements with regard to the composition and diversity of the Board.

3. Scope

This Policy applies to the Board of Directors of the Company. It does not apply to employees.

4. Governance Structure

a. Board of Directors

- This Policy sets out the approach the Company should adopt whilst ensuring Board diversity and to enhance its effectiveness whilst discharging its fiduciary obligations toward the shareholders of the Company.
- The Board of Directors has constituted the Nomination and Remuneration Committee (hereinafter referred to as NRC) (Annexure 1).

b. Nomination and Remuneration Committee

The scope and Terms of Reference of the Nomination and Remuneration Committee as set by the Board of Directors of the Company inter alia include to devise a policy on Board diversity.

5. Policy Statement

SIFL recognizes and embraces the importance of a diverse Board in its success. SIFL believes that a truly diverse Board will leverage differences in thought, perspective, regional and industry experience, cultural and geographical background, age, ethnicity, race, gender, knowledge & skills including – expertise in financial business, leadership, technology, risk, corporate governance, information technology and cyber security and other domains, which will ensure that SIFL retains its competitive advantage.

In order to ensure that the Board is endowed with appropriate balance of skills, experience and diversity of perspectives, the Company shall conform to the following principles relating to Board Diversity:

- a) Ensure that a transparent Board nomination process is in place that encourages diversity of thought, experience, skills, knowledge, perspective, age, nationality, gender, cultural and educational background;
- b) The Board shall collectively possess the necessary qualifications commensurate with size, complexity and risk profile of the Company;
- c) The Board will strive to have an appropriate blend of functional and industry expertise and skills;
- d) The consideration and selection of person for appointment to the Board will be based on merit which shall include a review of any person's integrity, experience, educational background, industry or related experience and more general experience;
- e) 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 or otherwise; and
- f) While recommending the appointment of a Director, the NRC will consider the criteria as laid down under the relevant policies of the Company, Companies Act, 2013 and applicable Regulations/Guidelines issued by Statutory and Regulatory Authorities and the manner in which the function and domain expertise of the individual will contribute to the overall skill-domain mix of the Board.

6. Role of Nomination and Remuneration Committee

The scope and Terms of Reference of the Nomination and Remuneration Committee as set by the Board of Directors of the Company inter alia include to:

- a) Evaluate the current composition and organization of the Board and its committees in light of requirements established by any Regulatory Body or any other applicable statute, rule or regulation which the Committee deems relevant and to make recommendations to the Board in respect to the appointment, re-appointment and resignation of Independent, Executive and Non – Executive Directors of the Company;
- b) Review the composition and size of the Board in order to ensure that the Board is comprised of members reflecting the proper expertise, skills, attributes, and personal and professional backgrounds for service as a Director of the Company, as determined by the Committee;
- c) Review and recommend to the Board an appropriate course of action upon the resignation of current Board members, or any planned expansion of the Board, and review the qualifications, experience and fitness for service on the Board of any potential new members of the Board;

- d) Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down;
- e) Specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
- f) Formulate the criteria for evaluation of Independent Directors and the Board;
- g) Devise a policy on Board diversity;

The Nomination and Remuneration Committee is responsible for reviewing and assessing the composition and performance of the Board, as well as identifying appropriately qualified persons to occupy Board positions in accordance with the relevant laws.

Accordingly, the Committee shall:

- assess the appropriate mix of diversity, skills, experience and expertise required on the Board and assess the extent to which the required skills are represented on the Board,
- make recommendations to the Board in relation to appointments, and maintain an appropriate mix of diversity, skills, experience and expertise on the Board, and
- periodically review and report to the Board requirements, if any, in relation to diversity on the Board.

The Board shall have an optimum combination of executive, non-executive and independent directors in accordance with requirements of the Articles of Association of the Company, the Companies Act, 2013 and other statutory, regulatory and contractual obligations of the Company.

7. Stakeholder Diversity

The Company may also have Directors on its Board representing the interest of any financial institution or any other person in accordance with the provisions of its Articles of Association and/or any agreement between the Company and the nominating agency.

8. Measurable Objectives

The Nomination and Remuneration Committee will discuss and agree annually all measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption. The NRC will largely rely on the regulatory provisions of the Companies Act, 2013 and the Regulations/Guidelines issued by Reserve Bank of India and review the measurable objectives for achieving diversity against these provisions and recommend the same to the Board for adoption. At any given point of time, the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.

9. Monitoring and Reporting

This Policy shall also be disclosed on the website of the Company for public information

10. Review of Policy

This policy shall undergo annual review from the date of approval by the Board on the recommendations of the Nomination and Remuneration Committee. However, reviews and modifications at shorter intervals may be carried out, if deemed necessary by the organization, based on changes in the regulatory guidelines. Such changes shall be carried out through an inter-office memo after obtaining views from relevant stakeholders and approval from Managing Director

& CEO. A summary of all such changes shall be tabled to the Board and the Nomination and Remuneration Committee on a quarterly basis.

11. Annexure

Annexure 1 - Composition of the Nomination and Remuneration Committees

Composition	Quorum	Meeting Frequency	Secretary	Chairperson
i) Mr. Sunil Srivastav, Independent Director – Chairman ii) Mr. N Sivaraman, Independent Director – Member iii) Mr. P Santhosh, Nominee Director – Member iv) Mr. Avinash Kulkarni, Nominee Director – Member	One Third of the total strength or two whichever is higher subject to a minimum of one Independent Director being present	As and when required by the NRC but it shall meet at least once in a year	Company Secretary & CCO	Mr. Sunil Srivastav, Independent Director