



POLICY ON BOARD DIVERSITY

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Background:

- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) mandates listed entities to devise a policy on diversity of Board of Directors (“Board”).
- The Companies Act, 2013 and Banking Regulation Act, 1949 (including SFB Licencing Guidelines) also prescribes the composition of the Board and category of directors and their qualifications.
- It is in the context of the above provisions and various other circulars and guidelines issued by regulatory authorities in the matter of composition and mix if the Board from the governance point of view, that the Board Diversity Policy (“Policy”) is being framed and implemented.

Purpose & Objective:

The Bank believes that Board diversity plays a very important role in the transparent decision making by the Board. The purpose and objective of this Policy is to comply with Listing Regulations and other applicable provisions and ensure the diversity of thought, experience, knowledge, perspective and gender in the Board. The Bank promotes social and professional diversity in the Boardroom.

The primary objective of this Policy is to provide a framework and set standards for the Board to have the ability to base its decisions after evaluating multiple options as compared to homogeneous Boards and help improve the performance of the Bank significantly.

Policy:

The Nomination and Remuneration Committee shall consider this Policy along with Nomination and Remuneration Policy and benefits of board diversity while selecting and recommending a person for the appointment as a member of the Board.

The Board shall, at all times, have an optimum combination of executive, non-executive directors including independent and at least one-woman independent director in accordance with the Articles of Association of the Bank, Companies Act, 2013 and Rules made thereunder, Listing Regulations, Section 10A and other applicable provisions of the Banking Regulation Act, 1949, as amended from time to time, and circulars/guidelines issued by RBI from time to time.

The Bank believes that Diversity in the composition of the Board of Directors is essential in view of the expansion of business, greater social responsibility, increasing emphasis on Corporate Governance, need for addressing concerns of diverse stakeholders and the necessity for managing risks in the business effectively.

A Board composed of appropriately qualified and skilled members, with a broad range of experience relevant to the business, is important for effective corporate governance and sustained commercial success of the Bank.

This Policy should be read along with Nomination and Remuneration Policy of the Bank. This Policy applies to the Board of the Bank. It does not apply to employees of the Bank.

Review and Revision:

The Nomination and Remuneration Committee shall review this policy annually or as and when any changes required statutorily and recommend revisions or changes, if required, to the Board. On the recommendation of the said Committee, the Board may make necessary revisions or changes in this Policy.

Disclosure:

This policy shall be available on the website of the Bank at <https://www.ujjivansfb.in/corporate-governance-policies.html>. The Link thereof shall be provided in the Corporate Governance Report of the Bank which forms part of the Annual Report.

Contact Details:

Any question/clarification or doubt about this Policy should be referred to the Company Secretary and Compliance Officer of the Bank, who is in charge of administering, enforcing and updating this policy.

Mr. Chanchal Kumar

Company Secretary and Compliance Officer

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