

L&T FINANCE HOLDINGS LIMITED**POLICY ON BOARD DIVERSITY****INDEX**

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VERSION CONTROL

Version	Date of adoption	Change Reference	Owner	Approving Authority
1.	February 2015	-	Secretarial	Board of Directors
2.	October 2017	Change of reference to regulations.	Secretarial	Board of Directors
3.	October 2018	Annual review (No change)	Secretarial	Board of Directors

1. BACKGROUND AND PURPOSE:

The Company recognizes the benefits of a Board that possesses a balance of skills, experience, expertise and diversity of perspectives appropriate to the requirements of the businesses of the Company and its subsidiaries. The Company recognizes the benefits of having a diverse Board to enhance the quality of its performance.

The Company maintains that appointment on the Board should be based on merit that complements and expands the skills, experience and expertise of the Board as a whole, taking into account gender, age, professional experience and qualifications, cultural and educational background and any other factors that the Board may consider relevant and applicable from time to time towards achieving a diverse Board.

As per the provisions of Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), one of the roles of the Nomination and Remuneration Committee is to devise a policy on diversity of board (“Policy”). The purpose of the Policy is to set out a framework to promote diversity on the Company’s Board of Directors (“Board”).

2. NOMINATION PROCESS:

The Nomination and Remuneration Committee of the Company (“NRC”) reviews and assesses Board composition on behalf of the Board and recommends the appointment of new directors. The NRC has the primary responsibility for identifying suitable qualified candidates to become members of the Board. While screening the candidates, the NRC aims to maintain an appropriate balance of skills, experience and background and considers all aspects of diversity i.e. age, experience, cultural and educational background and expertise. However, in identifying suitable candidates for recommendation to the Board, the NRC considers candidates against objective criteria (including merits) having due regard for benefits of diversity on the Board.

3. COMPOSITION OF THE BOARD:

Emphasis is laid down on the NRC/Board to review and evaluate every financial year, the composition of Board to ensure that it has the appropriate mix of skills, experience, independence and knowledge to ensure continued effectiveness of the Board. In doing so, the NRC/Board takes into account diversity, including diversity of gender, amongst other relevant factors.

The Board is required to satisfy itself that plans are in place for orderly succession for appointments to the Board to maintain balance and to ensure effective functioning of the Board.

4. REVIEW / REVISION OF POLICY:

If at any point a conflict of interpretation / information between the Policy and any regulations, rules, guidelines, notification, clarifications, circulars, master circulars/ directions issued by relevant authorities (“Regulatory Provisions”) arises, then interpretation of the Regulatory Provisions shall prevail.

In case of any amendment(s) and/or clarification(s) to the Regulatory Provisions, the Policy shall stand amended accordingly from the effective date specified as per the Regulatory Provisions. The Board and/or its Committee reserve(s) the right to alter, modify, add, delete or amend any of the provisions of the Policy.