

Muthoot Microfin Limited – Board Diversity Policy

Purpose & Scope

A strategic framework designed to ensure that the board of directors of an organization is composed of individuals with diverse backgrounds, perspectives, and experiences. This policy aims to enhance decision-making, foster innovation, and improve governance by recognizing the importance of diversity in driving better performance and reflecting the diverse needs of stakeholders.

Muthoot Microfin Limited (“the Company”) believes that Board diversity plays a very important role in the transparent decision making by the Board. The purpose of this Policy is to comply with the requirements under the Regulations 19(4) read with Sub-clause (3) Para A of Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (the “Listing Regulations”) and such other regulatory provisions. The Policy sets out the approach to have a diversity on the Board of the Company in terms of thought, experience, knowledge, perspective, gender, race, ethnicity, country of origin, nationality, or cultural background in the Board, in compliance with the applicable laws, rules and regulations applicable to the Company.

Board Diversity

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. Diversity is about getting the right mix of people and harnessing their unique and individual views, skills and experiences, knowledge and perspective in a way that it collectively benefits the organization and the business.

Policy Statement

The Company believes that the Company’s Board should consist of both men and women from diverse backgrounds possessing different skillsets, perspectives, and industry experience, to achieve its strategic and commercial objectives. The diversity at the Board level shall help the Company in attaining its strategic objectives and also in the overall development and growth of the Company. The Board composition should be such that the members complement the knowledge, experience, expertise and skill sets of one another so that the Board collectively functions to achieve the aforesaid objective.

Role of Nomination and Remuneration Committee

The Nomination and Remuneration Committee (‘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. The Committee shall ensure that in making its recommendation it shall not discriminate, directly or indirectly, on grounds of

race, religion, ethnicity, cultural background, country of origin, nationality, marital status, gender, age, sexual orientation or disability which does not hinder a person's ability to function as a Board member.

The Committee shall seek to address Board vacancies by actively considering candidates that bring diversity of background and opinion from amongst eligible candidates with related expertise and experience. In the process of attaining a diverse Board based on the aforementioned norms, the following should also be assessed.

- a) The total number of directors shall be in accordance with the articles of association of the Company.
- b) The Board should have an optimum number of executive and non-executive directors and shall have at least one-woman director on the Board subject to the applicable laws.
- c) While appointing the independent directors, care should be taken as to independence of the proposed appointee.
- d) Directorships in other Companies may also be taken in account while determining the candidature of a person.
- e) The overall composition of the Board of Directors should comply with the provisions of the Articles of Association of the company, the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the statutory, regulatory and contractual obligations of the Company.
- f) Board to drive diversity and have an appropriate blend of functional and industry expertise.

Review of the Policy

The Committee will review this Policy periodically and recommend appropriate revisions to the Board. The NRC will largely rely on the regulatory provisions of the Act. At any given point of time, the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.

Disclosure of the Policy

The necessary disclosure, if any, about the policy will be made as per the requirements of LODR Regulations and Companies Act 2013.

Amendment of this Policy

The Committee shall have the power to clarify any doubts or rectify any anomalies that may exist in connection with the effective execution of this Policy. The Committee reserves the right to amend this Policy from time to time based on changing requirements as prescribed by SEBI/Stock Exchange(s) or any other appropriate Statutory Authority.

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