



Utkarsh Small Finance Bank

POLICY ON BOARD DIVERSITY



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1. Background

Regulation 19(4) read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**Listing Regulations**”) mandates that all listed entities devise a policy on diversity of board of directors.

It is in this context that the Policy on Board Diversity (“**Policy**”) is being framed and implemented.

2. Purpose & Objective:

Utkarsh Small Finance Bank Limited (the “**Bank**”) believes that diversity on its board of directors (“**Board**”) plays a very important role in the transparency of the decision-making process in the boardroom. The purpose and objective of this Policy is to comply with the Listing Regulations and ensure diversity of thought, experience, knowledge, perspective and gender on the Board. The Bank promotes social diversity and professional diversity in the boardroom.

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

3. Interpretation

Any words used in this Policy but not defined herein shall have the same meaning ascribed to it in the Articles of Association of the Bank, Listing Regulations and /or the Companies Act, 2013 or Rules made thereunder, each as amended.

In case of any dispute or difference upon the meaning/interpretation of any word or provision in this Policy, the same shall be referred to the Nomination and Remuneration Committee (“**Committee**”) and the decision of the Committee in such a case shall be final.

4. Board Diversity Policy

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

The Board shall have at all times, an optimum combination of executive, non-executive directors including independent and women directors in accordance with the Articles of Association of the Bank, Banking Regulation Act, 1949 and other guidelines/circulars issued by RBI such as Guidelines for Licensing of “Small Finance Banks” in the Private Sector dated November 27, 2014, Companies Act, 2013 and Rules made thereunder and the Listing Regulations, as amended.



The Bank believes that diversity in the composition of the Board is essential in view of the expansion of business, gender equality, 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 people, 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 the Nomination and Remuneration Policy of the Bank.

5. Monitoring, Tracking and Reporting

The Committee shall drive the understanding of talent across the organization and support development programme for the Board. As part of the exercise, it will also review and suggest training for directors. Amongst the key requirements is to also plan for the evolution of non-executive directors over the medium term to maintain appropriate mix of skills, age and gender diversity on the Board.

The policy shall be disclosed on the website of the Bank.

6. Amendments & Updates:

This Policy may be amended, modified or supplemented from time to time, basis the annual review by the Committee, to ensure compliance with any modification, amendment or supplementation to the Listing Regulations or as may be otherwise prescribed by the Committee/Board from time to time, and recommend the necessary changes to the Board for its approval.