

IndusInd Bank Limited

BOARD DIVERSITY POLICY

April 2023

1. Purpose

As provided in the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (Listing Regulations), one of the key functions of the Board of a listed company is to institute transparent processes for nomination of Directors. The same is proposed to be achieved by the Bank, with focus on diversity from a gender, knowledge, experience, domain expertise, race, nationality and age, cultural and geographical perspective.

The primary objective of this Policy is to provide a framework for building a Board that would contribute to the achievement of the Bank's strategic and commercial objectives, including to:

- Achieve a balanced Board, with a wide range of attributes;
- Ensure blend of functional and industry expertise;
- Facilitate discussion and promote independence of judgement in Board and in Committee deliberations;
- Achieve strategic objectives and business outcomes;
- Ensure sustainable organizational development;
- Enhance the reputation of the Bank.

This Policy has been framed in conjunction with the Policy on Appointment and Selection of Directors.

2. Regulatory position

The Bank is required to maintain diversity of its Board, in compliance with Section 10A (2) (a) and other relevant provisions of the Banking Regulation Act, 1949 read with Circular No. RBI/2016-17/152 DBR.Appt.BC. No.39/ 29.39.001/2016-17 dated November 24, 2016 (reproduced hereunder), which provides states that:

Not less than fifty-one per cent of the total number of members of the Board of Directors of a banking company shall consist of persons, who- (a) Shall have special knowledge or practical experience in respect of one or more of the following matters, namely: -

1. Accountancy
2. Agriculture and rural economy
3. Banking
4. Co-operation
5. Economics
6. Finance
7. Law
8. Small-scale industry
9. Information Technology
10. Payment and Settlement systems
11. Human Resources
12. Risk Management
13. Business Management

Any other matter the special knowledge of, and practical experience in, which would, in the opinion of the Reserve Bank, be useful to the banking company:

Provided that out of the aforesaid number of directors, not less than two shall be persons having special knowledge or practical experience in respect of agriculture and rural economy, co-operation or small scale industry; and

The Articles of Association (AoA) also create scope for diversity in the Board by prescribing maximum strength of twelve members.

3. Policy Statement

The Compensation and Nomination & Remuneration Committee ('the Committee') has been entrusted the responsibility of reviewing and assessing the composition and performance of the Board, as well as appropriately qualified persons to occupy positions in the Board.

The Committee is mandated to create the appropriate mix of diversity, blend of functional and industry expertise, and specialized knowledge and skills keeping in view the provisions of Section 10A (2) (a) of the Banking Regulation Act, 1949 and the said RBI Circular.

The selection of candidates for appointment in the Board will be based on professional merit which shall include review of the candidate's educational background, industry experience, expertise in the fields of business including Finance, Accounting, Information Technology, Human Resources, Law, Payment and Settlement Systems, Risk Management, Business Development and Management, Sales, Marketing, Administration, Research, Corporate Governance, or any other discipline related to the business of the Bank, keeping in view the Bank's business operations, growth / diversification plans and the need to enhance competencies.

The Committee is mandated to ensure that in the process of selection of Directors of the Bank, no person is discriminated against on the grounds of religion, race, caste, gender, or any other personal or physical attributes, which do not affect his / her ability to perform as a Director of the Bank.

The Board is required to have an optimal combination of Executive, Non-Executive, Independent and Woman Directors in accordance with the requirements of the Companies Act, 2013, the SEBI Listing Regulations relating to corporate governance, the Banking Regulation Act, 1949, the Guidelines issued by the RBI, and the Articles of Association of the Bank.

The Bank shall ensure that the composition of its Board/ Committees are constituted in compliance with RBI's Circular no. RBI/2021-22/24/DOR.GOV.REC.8/29.67.001/2021-22 dated April 26, 2021, on Corporate Governance in Banks – Appointment of Directors and Constitution of Committees of the Board, as may be amended, from time to time.

4. Review of the Policy

The Policy which has been reviewed and approved by the Committee on March 28, 2023, was reviewed and approved by the Board at its meeting held on May 10, 2023.

The Policy shall be reviewed once in every three years, unless there is any change in applicable laws.

In the event of change in the applicable laws, amendments to the Policy may be carried out, subject to approval by the Managing Director & CEO of the Bank. The revised Policy shall be effective from the date of said approval and placed at the ensuing meeting of the Compensation and Nomination & Remuneration Committee / Board, for its noting.