

**TOYOTA FINANCIAL SERVICES INDIA LIMITED**

**BOARD DIVERSITY POLICY**

Version 1.0

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## **I. Objective**

In accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations), the Company is required to have a formal Board Diversity Policy. The policy provides a framework for building a diverse Board that supports the Company's strategic and commercial goals. It also ensures a transparent nomination process focused on diversity in thought, experience, knowledge, skills, perspective, and gender.

## **II. Policy Statement**

The Company values diversity and recognizes its importance in bringing varied perspectives and ideas to the Board. A diverse and engaged Board is essential for maintaining high standards of corporate governance and improving the quality of discussions, guidance, and decision-making.

A. The Nomination & Remuneration Committee (NRC) is responsible for reviewing the Board's composition and selecting suitably qualified individuals for appointment as Director. The Board shall comprise:

1. A balanced combination of diversity, core skills, experience, and expertise, with members able to dedicate sufficient time to the Company matters.
2. Representation across varied cultural and geographical backgrounds, along with gender diversity.
3. An optimal combination of Executive, Non-Executive, Independent, and Woman Directors, in line with the Articles of Association of the Company, the Companies Act, 2013, SEBI LODR Regulations and applicable Reserve Bank of India Regulations. Independent Directors must meet the independence criteria defined under applicable regulations.

B. Appointments to the Board shall be made on the basis of professional merit. The assessment of the candidates shall include a thorough assessment of his/her integrity, educational qualifications, industry experience, and domain expertise in areas such as Finance, Accounting, Human Resources, Legal, Information Technology, Risk Management, Sales and Marketing, Administration, Corporate Governance, or other disciplines relevant to the Company's operations. The Company being a Non-Banking Financial Company (NBFC), it is mandatory that at least one Director possesses prior experience in banking or NBFC operations. Furthermore, all the Board Members shall demonstrate the competence required to effectively oversee and manage the affairs of an NBFC.

C. The Nomination and Remuneration Committee (NRC), while selecting candidates for appointment to the Board, shall evaluate the qualifications, experience, and skill sets of the proposed individuals and also assess the composition of the existing Board, taking into account the Company's current business operations, future growth plans, diversification strategies, and any existing competency gaps that need to be addressed.

D. NRC, while identifying suitable candidates for appointment to the Board, may engage external agencies if required. NRC shall consider individuals from a broad spectrum of backgrounds, with due regard to diversity, and shall ensure that candidates are able to commit sufficient time to effectively discharge their responsibilities.

## **III. Review and Amendments**

A. The Policy shall be reviewed on need basis, and at least once every year.

B. In the event of any conflict or inconsistency between the provisions of the Policy and the applicable laws, the provisions of the applicable laws shall prevail. The Policy shall be reviewed and updated, as necessary, to reflect any changes in the applicable laws.

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