

LIC HOUSING FINANCE LIMITED

BOARD DIVERSITY POLICY

Purpose:

The Board Diversity Policy ('the Policy') sets out the approach to ensure diversity on the Boards of Directors of LIC Housing Finance Limited. The Company is committed to equality of opportunity in all aspects of its business and does not discriminate on the grounds of race, gender, disability, ethnicity, religious or philosophical belief, age, family status or any other factor.

Policy Statement:

The Company continuously seeks to enhance the effectiveness of its Board of Directors (the "**Board**") and to maintain the highest standards of corporate governance and recognises and embraces the benefits of diversity in the boardroom. The Company sees diversity as a wide concept and believes that a diversity of perspectives can be achieved through consideration of a number of factors, including but not limited to skills, knowledge, gender, age, cultural and educational background or professional experience. In forming its perspective on diversity, the Company will also take into account factors based on its own business model and specific needs from time to time.

Methodology of Appointments:

The Board will include and make good use of the differences in the skills, regional and industry experience, background, race, gender and other distinctions between Directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. All Board appointments are made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective. The Board believes that such merit-based appointments will enable the Company to serve its customers, shareholders and other stakeholders going forward.

As required by Regulation 19(4) and as per Part D of Schedule II of SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee ('the Committee') will lay down the criteria for performance evaluation of independent directors and on the basis of report of performance evaluation it shall recommend continuation or extension of term of appointment of independent director.

- The Committee will consider the benefits of all aspects of diversity including, but not limited to, those described above, in order to enable it to discharge its duties and responsibilities effectively.
- In identifying suitable candidates for appointment to the Board, the Committee will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.
- As part of the annual performance evaluation of the effectiveness of the Board, Committees and individual Directors, the Committee will consider the balance of skills, experience, independence, knowledge and expertise relevant to the Company's business and the diversity representation of the Board, including gender, how the Board works together as a unit, and other factors relevant to its effectiveness.

Measurable Objectives:

The Committee will discuss and agree annually all measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption.

At any given time, the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.

In line with this the Board has two women directors, while the proposed requirement is one woman director under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further the Board members bring with them adequate expertise, skill and experience in various fields viz. management, finance, legal including compliance of law, human resources etc.

Monitoring and Reporting:

The Company will disclose a summary of this Policy, the measurable objectives it has set for itself in this regard, the progress made towards achieving those objectives and the process it has used in relation to Board appointments in the Report of Corporate Governance, in its Annual Report.

Review of the Policy:

The Committee will review the Policy periodically, which will include an assessment of the effectiveness of the Policy. The Committee will discuss any revisions that may be required and recommend any such revisions to the Board for approval.

The Board will consider such revision recommendations, periodically to ensure the continued effectiveness of the Policy.