TFSL

BOARDDIVERSITYPOLICYANDDIRECTORATTRIBUTES

1. PURPOSE

In terms of Section 178oftheCompaniesAct,2013("Act"), Regulation 19(4) readwith Part D of the Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Governance Guidelines on Board Effectiveness adopted by the Board of Directors, the Nomination and Remuneration Committee ("NRC") of the Board is, inter alias, required to formulate a Policy on Board Diversity and lay down the criteria for determining qualifications, positive attributes and independence of a director. Diversity in the composition of the Board of Directors has become essential in view of the expansion of business, greater social responsibility, increasing emphasis on Corporate Governance. need for addressingconcernsof diversestakeholdersandthenecessityformanagingrisksinthebusiness effectively. ABoardcomposedof appropriately qualified and skilled people, with abroad range of experience relevant to the business, is important for effective corporate governance and sustained commercial success of a company.

In view of the above, TFSL hasframed this Policy on Board Diversity and Director Attributes ("Policy") that encourages diversity ofthought, experience, knowledge, perspective, age and gender in the Board. The Policy sets out the approach to diversity in the Board of Directors of the Company so as to ensure that the Board has an appropriate blend of functional and industry expertise.

This Policy has been adopted by the Board of Directors of the Company, based on the recommendations of the NRC.

2. OBJECTIVESOFTHEPOLICY

TheObjectivesofthePolicyinclude:

- i. Board to drive diversity and have an appropriate blend of functional and industry expertise;
- ii. While recommending the appointment of a director to, *inter alias*, consider the manner in which the function and domain expertise of the individual contributes to the overall skill domain mix of the Board;
- iii. To help the Company build a better Board that can draw upon a wide range of perspectives, expertise, knowledge and experience;
- iv. ToachieveanoptimumandbalancedBoard, withawiderangeofattributes;
- v. To encourage healthy and open discussion and promote independence of judgement in Board and Committee deliberations; and
- vi. To have an optimum mix of Executive, Non-Executive and Independent Directors, including Women Directors.

3. POLICYSTATEMENT

TomeettheaboveObjectives:

- i. The Board of TFSL will ensure that a transparent Board nomination process is in place that encourages diversity of thought, experience, skills, knowledge, perspective, age, nationality, gender, cultural and educational background;
- ii. Itwill be ensuredthat theBoardhasan appropriateblendof functional and industry expertise and skills;
- iii. The consideration and selection of candidates for appointment to the Board will be based on merit which shall include a review of any candidate'sintegrity, experience, educational background, industry or related experience and more general experience;
- iv. Candidates that bring a diversity of background and opinion from among st those candidates with the appropriate background and industry or related expertise and experience and having the ability to devote sufficient time to the affairs of the Company, should be considered for appointment to the Board; and
- v. WhilerecommendingtheappointmentofaDirector,theNRCwillconsiderthe criteria as laid down under the Act and applicable Regulations/Guidelines issued byStatutoryandRegulatoryauthorities,fromtimetotime,andthemanner inwhichthefunctionanddomain expertiseoftheindividualwillcontributeto theoverallskill-domainmixofthe Board.

4. MEASURABLE OBJECTIVES

The NRC will largely rely on the regulatory provisions of the Act and the Regulatory Framework for Non Banking Financial Companies, issued by the RBI (as amended from timetotime)asalsotheGuidelinesonBoardEffectivenessadoptedbythe Board and review the measurable objectives for achieving diversity against these provisions and recommend the same to the Board for adoption. At any given point of time, the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.

5. MONITORINGANDREPORTING

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