MIDLAND MICROFIN LIMITED

POLICY ON BOARD DIVERSITY

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1. Background

This Policy on Board Diversity (the "Policy") for the Board of Directors (the "Board") of Midland Microfin Limited (the "Company") has been formulated by the Nomination and Remuneration Committee ("NRC") in accordance with the applicable and regulation including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as applicable to assure that the Board is fully diversified and comprises of an ideal combination of Executive and Non-Executive Directors, including Independent Directors, with diverse backgrounds.

2. Purpose & Objective

Midland Microfin Limited (the **"Company"**) 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 Company 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 to 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 them in the Articles of Association of the Company, the Listing Regulations and/or the Companies Act, 2013 or the 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 Company and the benefits of board diversity while selecting and recommending a person for appointment as a member of the Board and while evaluating the Board and its members.

The Board shall have, at all times, an optimum combination of executive and non-executive directors, including independent and women directors, in accordance with the Articles of Association of the Company, the Companies Act, 2013 and the Rules made thereunder, the Listing Regulations, and the applicable directions, guidelines and circulars issued by the Reserve Bank of India ("RBI"), including the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2025, as applicable to Non-Banking Financial Company – microfinance institutions (NBFC-MFIs), each as amended from time to time.

The Company 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, the need for addressing concerns of diverse stakeholders and the necessity of 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 the sustained commercial success of the Company.

This Policy should be read along with the Nomination and Remuneration Policy of the Company.

5. Monitoring, Tracking and Reporting

The Committee shall drive the understanding of talent across the organization and support development programmes for the Board. As part of this 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 an appropriate mix of skills, age and gender diversity on the Board.

The Policy shall be disclosed on the website of the Company.

6. Amendments & Updations

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 the Committee shall recommend the necessary changes to the Board for its approval.