



I. INTRODUCTION

This Directors Appointment Policy (the "Policy") is framed in accordance with the directions issued by the Reserve Bank of India vide its Master Direction no. RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 and as revised from time to time ("the Direction"). to assess and ensure that the Directors who are responsible for steering the affairs of the company are fit and proper, besides having the necessary qualifications.

This Policy shall apply to the individuals to be considered for appointment or reappointment as a director on the Board of Volvo Financial Services India Private Limited (the "Company") and also to the continuing directors of the Company. Any references to "Appointment" of Directors also means and includes "re-appointment" of Directors.

II. COMPOSITION OF BOARD AND COMMITTEES

The Company is professionally managed through the Board of Directors and through its committees. The Company has laid terms with regard to constitution of its Board and committees in its Articles of Association that which is in accordance with directions issued by the Reserve Bank of India and the Companies Act, 2013.

III. BOARD OF DIRECTORS

The Board of Directors manages the enterprise under its own responsibility and in the enterprise's best interests, i.e. taking into account the interests of the stakeholders with the objective of creating sustainable added value.

The Board shall ensure that all provisions of law and internal regulations are abided by. It shall also institutes appropriate measures reflecting the company's risk situation (Risk Management System) and discloses the main features of those measures. Employees shall be given the opportunity to report, in a protected manner, suspected breaches of the law within the company; the same applies to third parties. The Board shall ensure that an appropriate risk management and risk controlling system is in place.

In accordance with the Articles of Association, the Board of the Company can consist of a minimum of 02 (two) directors and a maximum of 15 (fifteen) directors.

The composition of the Board may change from time to time due to appointment or resignation of Directors, change in applicable laws, strategic decisions by Volvo Group Management or any other reason. The Company shall conduct due diligence, as may be appropriate and appoint person of integrity and expertise keeping in view the business needs of the company.



IV. NOMINATION COMMITTEE

The Company has in place the Nomination Committee in accordance with the provisions of directions issued by the Reserve Bank to Systematically Important Non-Deposit Accepting Non-Banking Financial Companies.

The Nomination Committee consists of 3 (three) directors unless due to resignation(s) or any other unavoidable reason the total strength of Board of Directors falls below 3. In that case the Nomination Committee can still function with reduced strength (i.e. minimum 2 directors) to appoint additional Directors on the Board. The Nomination and Remuneration Committee constituted under this paragraph shall have the same powers, functions and duties as laid down in section 178 of the Companies Act, 2013.

The Nomination Committee ("NC") shall ensure fit and proper status of proposed / existing directors. It shall obtain a declaration and undertaking from the directors giving certain information on the directors. The declaration and undertaking shall be on the lines of the format as prescribed by the RBI from time to time. Further, quarterly statement shall be furnished to the Regional Office of the Reserve Bank of India within 15 days of the close of the respective quarter on change of directors and a certificate from the Managing Director of the Company stating that fit and proper criteria in selection of the directors has been followed. The statement submitted by the Company for the quarter ending March 31, shall also be certified by the Statutory Auditors of the Company.

The Nomination Committee may inter alia undertake the following activities in determining the fit and proper status of Directors:

- The Fit and Proper assessments / due diligence on each director to be conducted both prior to initial appointment/ renewal of appointment.
- Undertake the process of due diligence to determine the suitability of the candidate for the appointment/ continuing to hold appointment as a director on the Board.
- Ensure a Deed of Covenant as required under RBI guidelines is executed by the Director

V. FIT AND PROPER CRITERIA AND DUE DILIGENCE

The Committee shall inter alia, consider the following factors to nominate a potential candidate for appointment/ re-appointment as a director on the Board:

- Educational Qualification
- Experience and field of Technical Expertise
- Age Limit
- Relevant Back ground and Integrity
- Potential conflicts of Interest and Independence
- Relevant records of professional experience
- Legal Proceedings. If any, against the Candidate/ Director
- Terms and Qualifications prescribed under other RBI Directives, Companies Act 2013 or any other Statute as may be applicable.
- Signed Deeds and/ Declarations submitted by the Candidate/ Director (as per RBI Directives)



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VI. REVIEW

The Board or any of its Committee may review this Policy from time to time as may be required. Changes, if any, shall be effective only upon approval by the Board.

VII. VERSION

Approved and adopted by the Board of Directors on April 17, 2018