



CORPORATE GOVERNANCE – *Internal Guidelines*

CITICORP FINANCE (INDIA) LIMITED

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CITICORP FINANCE (INDIA) LIMITED

Internal Guidelines

Citicorp Finance (India) Limited (CFIL or the Company), in pursuance of the directions issued by RBI for Non-Banking Financial Companies (NBFCs), has adopted the internal guidelines on Corporate Governance.

A. Corporate Governance Mission

“CFIL aspires to the highest standards of ethical conduct in doing what we say, reporting results with accuracy and transparency and maintaining full compliance with laws, rules and regulation that govern the Company.”

The mission statement of CFIL is to serve as a trusted partner to our clients by responsibly providing financial services that enable growth and economic progress.

The corporate governance framework of the Company is based on the following key principles:

- Establishing strategic objectives and a set of corporate values that are communicated throughout the organization;
- Setting and enforcing clear lines of responsibility and accountability throughout the organization;
- Ensuring that board members are qualified for their positions, have a clear understanding of their role in corporate governance and are not subject to undue influence from management or outside concerns;
- Ensuring that compensation approaches are consistent with the Company’s ethical values, objectives, strategy and control environment;
- Ensuring an environment supportive of sound corporate governance.

The Corporate Governance Code will be reviewed at least once in a year.

B. Corporate Governance Structure

The Company has a well-defined and embedded governance structure, which fully supports the Corporate Governance mission and principles. It is further aligned to the Company’s goals and objectives and complies with all applicable laws and regulations.

The Governance structure can be broadly categorized as follows:

Board Level / Statutory- Ensuring full compliance with the various applicable laws and regulations, the Company has the following governance set up:

- Board of Directors
- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholder Relationship Committee



Business Level- It comprises of business level operating committee(s) to ensure full oversight over all business and operational risk. It comprises of the following Committees:

- Risk Management Committee
- Asset Liability Committee (ALCO)
- Debenture Issuance & Allotment Committee
- IT Strategy Committee

Details on the functioning, constitution and frequency of the above committees are attached in Annexure I.

Details of Committee members are attached in Annexure II.

C. Board of Directors

The core of our corporate governance practice is the Board of Directors, who oversee the conduct and functioning of management and the long-term interests of the stakeholders, consumers, employees, investors, creditors and the local community.

The Board of Directors' primary responsibility is to provide effective governance over the Company's affairs for the benefit of the stakeholders, its customers and employees. In all the actions taken by the Board, the Directors are expected to exercise their prudent business judgment in what they reasonably believe to be in the best interests of the Company. In discharging that obligation, Directors' may rely on the honesty and integrity of the Company's senior executives and its outside advisors and auditors.

The Board comprises of directors with blend of diverse expertise, high professionalism, independence and involvement enabling them to perform their duties in a responsible and efficient manner.

Constitution of Board

The total number of directors in the board shall be minimum 3 and shall not exceed 15 at any time.

The Board comprises of such number of directors whose appointment is in line with local laws and regulations. The directors appointed in the Annual General Meeting and would continue to hold the office unless he retires by rotation and not re-appointed or withdraw his consent to act as director/ resign or disqualified to be director on Board.

The Board is authorized to appoint new director during the year in compliance with the provisions of Companies Act, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Regulations) and RBI Regulations. The director appointed during the year shall hold office up to the date of next annual general meeting or the last date, on which the annual general meeting should have been held, whichever is earlier.

Appointment and resignation of directors should be by passing a resolution approved by the majority of the board members. Change in designation of director should be through board meeting subject to approval of shareholder in the general meeting.

The scope of work and membership of each Committee is described in Annexure I and II respectively and the updated list can also be obtained from the Company Secretary or authorized representative as and when required.

The Company shall induct at least one -Woman Director and Independent Director on the Board in accordance with applicable provisions under the Companies Act, 2013 and SEBI Regulations.

Composition

The Board should comprise of at least one third or minimum two directors of the Board as Independent Directors or as otherwise specified in the Companies Act or rules framed thereunder and SEBI Regulations.

As per SEBI Regulations if the Chairperson of the Board is a Non- Executive Director at least one third of the Board shall comprise of Independent Director and where the Company does not have a regular Non- Executive Director as Chairperson – at least half of the board shall comprise of Independent Director.

A person to be appointed as Independent Director should fulfill all the criteria of Independent Director as laid down under Companies Act, 2013 and RBI regulations.

Duties of Directors

The Directors of the Company are responsible for discharging the duties which are specified in provision of section 166 of the Companies Act, 2013 and includes –

1. A director of a Company shall act in accordance with the articles of the Company;
2. A director of a Company shall act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment;
3. A director of a Company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment;
4. A director of a Company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company;
5. A director of a Company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the Company;
6. A director of a Company shall not assign his office and any assignment so made shall be void;
7. If a director of the Company contravenes the provisions of this section such director shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.

Appointment of Director and Senior Management

The Board has constituted a Nomination & Remuneration Committee (NRC) which will undertake a process of due diligence to determine the suitability of the person for appointment / continuing to hold appointment as a Director, Independent Director on the Board or Senior Management (i.e. (a) **Function Heads:**

Company Secretary, Chief Financial Officer, Chief Compliance Officer, Chief Risk Officer, Chief Technology/Chief Information Officer, Internal Auditor / Chief Internal Auditor, Head of Operations, Head – Strategy and Governance and Treasury Head – Corporate (b) **Business Heads:** Head – Corporate Segment, Head – Commercial Segment, Head – Trading, Head – Equities and Head – Treasury Markets)

)based upon qualification, expertise, track record, integrity and other 'fit and proper' criteria and recommend to the Board on any appointment. The NRC will also recommend a policy relating to the remuneration of the Directors, Independent Directors key managerial personnel and other employees.

The NRC also follows the RBI guidelines and SEBI Regulations w.r.t appointment of Directors including Independent Directors issued from time to time.

Key Managerial Personnel (KMP): The Company is compliant with the provision of section 203 of the Act, pertaining to the appointment of Key Managerial Personnel i.e. the KMP includes:

1. Managing Director
2. Company Secretary and
3. Chief Financial Officer

Duties of Company Secretary as provided under provision of section 205 of the Companies Act, 2013

(1) To report to the Board about compliance with the provisions of this Act, the rules made there-under and other laws applicable to the Company;

- (a) to ensure that the Company complies with the applicable secretarial standards;
- (b) to discharge such other duties as may be prescribed.

(2) The provisions contained in section 204 and section 205 shall not affect the duties and functions of the Board of Directors, Chairperson of the Company, Managing Director or Whole-Time Director under this Act, or any other law for the time being in force.

Board Meetings

The meeting of the Board shall be convened at least once in each calendar quarter and minimum four meetings shall be held in a financial year with a maximum gap between two meetings of the Board shall not exceed 120 days. The quorum of the meeting shall be at least one third of the strength of the Board or 2 directors whichever is more and the participation of the directors by video conferencing or by other audio visual means shall be counted for the purposes of quorum.

The Standing Committees of the Board are the Nomination & Remuneration Committee, Audit Committee, Corporate Social Responsibility Committee, Risk Management Committee, Stakeholders Relationship Committee, Debentures Issuance & Allotment Committee, Asset Liability Committee and IT Strategy Committee.

Additionally, the Board may, from time to time, establish or maintain additional Committees or reduce/ dissolve any Committee, as necessary and appropriate.

The agenda of the meeting shall be circulated to the Board and Committee Members well in advance.

Further, all Committee Meetings shall be evidenced by Minutes of the Meeting (MOM) and drafts of the MOM will be circulated to the members for comments. The final MOM shall be presented for approval/ noting in the next meeting.

D. General Meeting

A Member may exercise his vote at a general meeting and shall be eligible to vote only once.

E. Finance

In light of the above principles on Corporate Governance, the Company has an independent Finance function.

The unit is headed by senior executive who is generally a qualified Chartered Accountant and ensures an organizational culture of ethics, integrity, and compliance. The function is primarily responsible for preparation of the financial statements of the Company as per the applicable accounting framework and



getting the same audited from external auditors. It also manages local regulatory financial reporting. The Control function also provides guidance and frames appropriate policies and procedures relating to accounting, MIS, controls etc.

He/She works effectively with the various businesses to instill an ethical foundation enabling them to enhance business performance.

F. Compliance

The Company's Compliance function embeds the above principles on corporate Governance. The Chief Financial Officer and Company Secretary, being a KMP, are also part of compliance function and ensure an organizational culture of ethics, integrity, as is more prescribed under the Companies Act. They work effectively with various businesses to instill an ethical foundation enabling them to enhance business performance, honor social and environmental responsibilities, and best serve their employees, clients, and stakeholders. It provides guidance and frames appropriate policies and procedures enabling the Company to establish and maintain a culture of integrity and prevent, detect, and resolve issues of business misconduct or noncompliance.

G. Ethics- Code of Conduct

The Citigroup Code of Conduct outlines the principles, policies and laws that govern the activities of the Company, and to which our employees and others who work with, or represent us directly or indirectly, must adhere. All employees of Citigroup Inc., its subsidiaries and their affiliates ("Citigroup") are required to read and follow the Citigroup Code of Conduct. The Citigroup Code of Conduct offers guidance for professional conduct under 3 main head which include the following key points:

1. How we do business

This would include Escalation of Business Concerns, Fair and Free Markets, Protecting CFIL Assets,

Anti-Bribery and Corruption, Anti-Money Laundering ("AML") Compliance, Suspicious Activity Reporting, Embargoes and Sanctions, Anti-Boycott laws, Antitrust and Fair Competition, Tied Business Dealings, Privacy and Security of Client Information, Fair treatment, Fiduciary Duties, Supplier Relationships, Commitment to the Environment, Continuity of Business, Financial and Tax reporting.

2. Our conduct in the workplace

This would cover Privacy for Citi's Workforce, Fair Employment Practices and Diversity, Discrimination and Harassment, Safety in the Workplace, Drug-Free Workplace, Communications, Equipment, Systems and Services, Safeguarding Personal, Proprietary and Confidential Information, Expense Management, Media Interaction and Public Appearances, Use of Citi Name, Facilities or Relationships, Information and Records Creation and Management, Insider Trading, Information Barriers, Personal Investments in Citi and Other Securities, Investigations, Required Employee Reporting, Undertaking to Repay Legal Expenses, Compensation Plans, Programs and Arrangements

3. Conflicts of Interest

This cover dealing in Gifts and Entertainment

- Accepting Gifts and Entertainment
- Giving Gifts and Providing Entertainment

Political Activities and Contributions, Charitable Contributions, Outside Business Activities, Corporate Opportunities, Related-Party Business Dealings, Personal Business Dealings.

The Vigil Mechanism (Whistle Blower) Policy of the Company is in line with the provision of section 177(9) and (10) of the Companies Act, 2013 and rules made thereunder and other prescribed regulations (SEBI and RBI). The directors and employees can approach to Nodal Officer or any other official as prescribed in the Vigil Mechanism (Whistle Blower) Policy of the Company.

The Vigil Mechanism Policy is available on the website of the Company at www.citicorpfinance.co.in.

H. External Statutory Audit Review

The Company has appointed external statutory auditors in line with the local laws in this regard. The auditors submit their report covering the following certifications:

- a) Proper books of account maintained
- b) Balance Sheet & Profit & Loss a/c in agreement with books of accounts & compliance with accounting standards
- c) Existing internal audit system is commensurate with size of Company & nature of business
- d) Regularity in deposition of statutory dues
- e) Timely repayment of dues to banks & debenture holders
- f) If RBI Regulations / norms have been complied with.

I. Mandatory Trainings

- a. To ensure requisite awareness for employees on compliance to Code of Conduct, the Company periodically requests employees to undergo relevant training programs specific to the employee's role/ department.
- b. Timely completion of the programs is mandatory as a condition of continued employment at Citigroup & failure to comply could lead to appropriate disciplinary actions

Key Mandatory Training Programs

- a) Anti-Money Laundering
- b) Compliance Orientation - India
- c) AML & Countering Terrorist Financing
- d) Anti-Money Laundering for CFIL employees India
- e) Escalation Training
- f) Improper Electronic Communication
- g) Anti-Bribery
- h) Code of Conduct
- i) Citi India Information Security
- j) Fraud Awareness
- k) Global Records Management

J. Fraud Monitoring

Fraud Monitoring and Reporting is done in accordance with RBI Master Directions and the same is covered in the Fraud Monitoring Policy approved by the Board of the Company.

K. Policies, Programs, Procedures and Codes

The Company has adopted the following policies/programs/procedures and codes which are subject to review at regular interval of time:

S. No	Name of the Policy
1.	Investment Policy
2	Assets Liability Management Policy
3	Treasury Risk Management Policy
4	Chief Risk Officer (CRO) Policy
5	Corporate Credit Policy
6	Credit Policy for Sole Proprietorships & Partnership
7	ECL Model for Implementation of Ind AS (Retail and Wholesale)
8	Risk Appetite Statement
9	Moratorium Policy
10	Resolution Framework for COVID related stress
11	Fraud Risk Management Policy
12	Stressed Asset Framework Policy covered
13	Related Party Transactions Policy
14	Fit & Proper Policy
15	Appointment & Remuneration Policy
16	Corporate Governance Code
17	Price Determination Policy
18	Outsourcing and Third Party Management Program
19	Citi Cyber and Information Security Policy
20	Citi Information Security Standards
21	Continuity of Business Policy
22	Continuity of Business Standard
23	Continuity of Business Testing Standard
24	Citi Information Technology Management Policy
25	Citi Information Technology Management Standards
26	Citi Technology Infrastructure India Continuity of Business Plan
27	Citi Change Management Standard
28	Global Change Management Procedure
29	Records Management Policy
30	Business Procedure Manual (ABF)
31	Collections Manual (ABF)
32	Margin and Securities Backed Finance (MSBF) Policy
33	Fair Practice Code
34	Securitization / Assignment Policy
35	AML Program
36	Vigilance Mechanism (Whistle Blower) Policy
37	Corporate Social Responsibility Policy
38	Asia Third Party Risk Management
39	Third Party Management Policy and Standards
40	Code of Conduct- SEBI

L. Board and Committee Members attendance framework and Escalation Mechanism

It is the endeavor of the Company /Management to ensure active and regular participation of the members of the Board and its Committees. This is important to ensure robust debate and discussion in these forums.

To this end, following key steps are envisaged:

- a) Annual circulation of the Deed of Covenant as reiteration and reminder. Directors and Committee members to acknowledge receipt;
- b) Attendance sheet to be included as a standing agenda item in the Board and Committee meetings;
- c) Members are expected to attend a minimum of 75% of the Committee meetings held.
- d) Sub optimal attendance by Directors/members to be brought to the attention of the Managing Director.

Annexure I

Details on the constitution, quorum, periodicity, scope of work of the various Committees are enclosed below:

Committee	Description	Scope of work and other details
<p><i>Nomination & Remuneration Committee</i> <i>("NRC")</i></p>	<p><u>Constitution/Membership</u></p> <p>The membership of the committee shall consist of 3 or more non-executive directors out of which 2/3 should be Independent Directors and such other members as may be decided by the Board from time to time.</p> <p><u>Periodicity & Quorum</u></p> <p>The committee shall meet at least once in a year.</p> <p>The quorum for a meeting shall be either two members or one third of the members of the committee, whichever is higher, including at least one Independent Director in attendance.</p> <p>The meeting shall be chaired by Independent Director.</p> <p><u>Voting</u></p> <p>Action taken by the Committee shall be by the affirmative vote of at least a majority.</p>	<p><u>Mandate, Scope and Responsibility:</u></p> <p>The NRC is formed as per the requirement of the Companies Act, 2013, RBI Regulation and SEBI Regulation.</p> <p>The primary role of the committee is:</p> <ol style="list-style-type: none"> 1. To formulate criteria for determining qualification, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees, for evaluation of performance of independent directors and the board of directors; 2. To devise a policy on diversity of board of directors; 3. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal; 4. To decide whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; 5. The Committee ascertains the "fit and proper" status of the existing as well as the proposed directors; 6. It ensures that self-declaration is obtained from every director (existing or proposed) in the prescribed format. 7. To take any other matter as required by the Board from time to time or as required under the Companies Act, 2013, or any rules framed there-under or under RBI Regulation, SEBI Regulation or any other law for the time being in force. <p><u>Reporting and Escalation</u></p> <p>The Committee meeting minutes shall be tabled in the Board Meeting for noting by the Board Members and also in the next Committee meeting. At the discretion</p>

		of the Chair, and in compliance with the Citi Escalation Policy, the Committee can escalate any matter reviewed, along with the Committee's recommendation and advice for further consideration, to the Board.
<i>Audit Committee</i>	<p><u>Constitution/Membership</u></p> <p>The membership of the committee shall consist of 3 or more directors out of which two third should be Independent Directors and such other members as may be decided by the Board from time to time.</p> <p><u>Periodicity & Quorum</u></p> <p>The Audit Committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings.</p> <p>The quorum shall either be two members or one third of the members of the audit committee, whichever is higher, with at least two independent directors.</p> <p>The meeting shall be chaired by Independent Director</p> <p><u>Voting</u></p> <p>Action taken by the Committee shall be by the affirmative vote of at least a majority.</p>	The Audit Committee acts in accordance with the Audit Committee Charter.
<i>Debenture Issuance & Allotment Committee</i>	<p><u>Constitution/Membership</u></p> <p>The membership of the committee shall consist of 2 or more members including Director / Managing Director, and such other members as may be decided by the Board from time to time.</p> <p><u>Periodicity & Quorum</u></p> <p>As and when required.</p> <p>The quorum for a meeting shall be any two members present in person, of which atleast one shall be a director.</p>	<p><u>Mandate, Scope and Responsibility:</u></p> <p>The Committee is formed basis authority given by the Board of Directors.</p> <ol style="list-style-type: none"> 1. The role of the committee is to issue, allot and transfer debentures and ensure that at the time of issuance of debentures, all requisite resolutions are passed and necessary documentation is maintained; 2. It would carry out any acts relating to the issue allotment and transfer of the said redeemable non-convertible debentures including decisions relating to application to the Company Law Board (CLB) or any other regulatory agency for seeking extension of time or any other related matter and authorizing anyone to appear before the CLB for any other matter relating to debenture issue, charge creation or registration of charge or any other regulatory agency on behalf of the Company;

<p><u>Voting</u></p> <p>Action taken by the Committee shall be by the affirmative vote of at least a majority</p>	<p>3. To file petition(s), documents, affirm, execute and file affidavits, applications or any other documents or paper related to the same before the Company Law Board or any other regulatory agency for seeking extension of time and / or condonation of delay, if any, in allotment of the said non-convertible debentures disposal thereof, including make corrections and alterations in the petition and application.</p> <p>4. Requisite documents, if any, related to Debenture holders as specified in Information Memorandum to be obtained.</p> <p><u>Reporting and Escalation</u></p> <p>The Committee meeting minutes shall be tabled in the Board Meeting for noting by the Board Members and also in the next Committee meeting. At the discretion of the Chair, and in compliance with the Citi Escalation Policy, the Committee can escalate any matter reviewed, along with the Committee's recommendation and advice for further consideration, to the Board.</p>
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<p>Asset Liability Committee (ALCO)</p>	<p><u>I. Constitution/Membership:</u></p> <p>The establishment of the ALCO is authorized by the entity Board of Directors. The membership of the committee shall consist of Managing Director and others (if designated so) viz., Chief Financial Officer (or Finance Representative), Markets Treasury, Chief Risk Officer, Representative of Corporate Treasury. These members shall constitute as the voting members of the ALCO.</p> <p>The chair has the discretion to add or remove members consistent with the mandate, provided such changes in membership do not conflict with any minimum commitments made to the relevant regulator(s) or any relevant Governance Standards</p> <p>Further, Compliance Officer, Business Heads, Company Secretary or any other relevant person (SME) can be invited as guest to this committee as required</p> <p>The list of members is part of Annexure II</p> <p><u>III. Reporting and Escalation</u></p> <p>ALCO shall report any breaches/penalties in respect of regulatory liquidity requirements, if any to the entity's Board of directors and CFIL's Risk Management Committee. Further, currently ALCO has no reporting sub-committees.</p> <p>ALCO meeting minutes shall also be tabled in the Board Meeting for noting by the Board Members.</p> <p>At the discretion of the chair, and as a minimum in compliance with the Escalation Policy, the entity ALCO can escalate any matter reviewed, along with the entity ALCO's recommendation and advice for further consideration. When escalating matters, the entity ALCO minutes must evidence consideration of (i) legal entity escalation channels, (ii) business and function escalation channels and (iii) geographic escalation channels (country, cluster, and region).</p> <p><u>V. Performance and Charter Review</u></p>	<p><u>II. Mandate, Scope and Responsibility:</u></p> <p>The ALCO is formed as per the requirement of RBI Regulation.</p> <p>The role of the ALCO with respect to liquidity risk includes, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions of CFIL. In addition, ALCO would be responsible for monitoring market risk (non-trading) management systems compliance with the asset liability management procedure and prudent gaps and tolerance limits and reporting systems set out by the Board of Directors and ensuring adherence to the RBI guidelines issued in this behalf from time to time.</p> <p>The Committee reviews and monitors the rational for and risk associated with lending and borrowing, resultant gaps in the funding positions of the Company manage interest rate risk and determine the pricing criteria of various assets and liabilities of the Company.</p> <p>To carry out functions and obligations prescribed by Reserve Bank of from time to time.</p> <p>The Asset Liability Committee (ALCO) shall also be responsible to perform the following:</p> <ol style="list-style-type: none"> 1. Review the monthly funding plan basis the asset projections given by the business units and the liquidity requirements of the Company. 2. To decide on the resource planning which should cover the planning horizon. 3. Any deviation to periodicity of the private placement will be approved by any one director of the Board of the Company and will be ratified in the next ALCO meeting. 4. To review regulatory updates relating to the NCD issuance process. 5. any breaches/penalties in respect of regulatory liquidity requirements <p><u>IV. Governance:</u></p> <p><u>(i) Chair</u></p> <p>The chair is responsible for the effective operation of the entity ALCO in accordance with this charter and for coordinating with other Governance Committees as per the reporting and escalation clause.</p> <p>The Managing Director (or delegate) shall chair the committee meetings. The chair shall preside at all meetings of the ALCO at which he or she is present. The chair can delegate tasks but remains accountable for the effective operation of the Committee and is responsible for overseeing its performance.</p>
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The entity ALCO chair will arrange for a self-assessment against the terms of this charter no less than once per year and will take prompt action to remediate any deficiencies. The chair will oversee and verify that remedial action plans are completed.

In addition, the chair shall arrange for the review and assessment of the adequacy of the charter annually and the Committee must approve any amendments to the charter. Amendments to the charter which alter the authority of the Governance Committee must also be approved by the Governance Committee from which it derived its authority. The charter review will be part of the annual review for Corporate Governance Code.

(ii) Secretary.

The chair shall nominate an individual to serve as secretary of the entity ALCO, with sufficient time dedicated to that role and an appropriate level of relevant experience. The secretary of the entity ALCO is responsible for maintaining minutes and other records of its proceedings, in accordance with the 'Governance Committee Charter, Minutes and Agenda Standard' and any applicable legal or regulatory requirements

(iii) Voting

Action taken by the Committee shall be by the affirmative vote of at least a majority (including delegates constituting Quorum). or by the written consent of a majority of the Committee members in lieu of a meeting; provided that any action taken either in the Committee meeting or by written consent can be vetoed by a committee member from either Independent Risk Management (CRO).

(iv) Periodicity

The committee shall meet at regular frequency with minimum of 10 meetings in a Financial Year, and the chair can convene the ALCO at any time, provided all members are given notice in advance.

(v) Quorum

The quorum for a meeting shall be majority of the members or delegates; with minimum representation required from Managing Director and Chief Risk Officer. Delegates shall be counted for the purpose of Quorum. Delegates are permitted to attend on behalf of members on an exception basis so long as the delegate is of sufficient seniority and can make decision on behalf of members delegate attendance is approved by the chair in writing at or before the meeting (to the extent possible).

(vi) Attendance

Members are expected to attend a minimum of 75% (excluding delegates) of Committee meetings held. Attendance must be tracked and recorded. Persistent nonattendance will be escalated by the committee secretary to the Chair, as soon as identified, to address and revisit the membership, if necessary. 75% attendance requirement must be calculated on rolling basis - only after having 12 months/meetings attendance tracking data.

(vii) Agenda

The chair is responsible for quality of agenda of the ALCO meetings. Any member can suggest to the chair items for inclusion in the agenda. The Risk function members have the right to have a topic included in the agenda. The agenda shall be communicated to the members sufficiently in advance

of each meeting to permit meaningful review, it shall be endeavored to send the agenda and information 1 day prior to the meeting.

(vii) Minutes

ALCO meetings will be evidenced by minutes and drafts of the minutes will be circulated to the members for comment as soon as practically possible. Final minutes will be presented for approval in the next Committee meeting.

Minutes should evidence credible challenge (to the extent it happened in the meeting), review activities and decision making rationale.

(viii) Telephonic and Videoconference

Meetings of the entity ALCO can be held in person or by means of telephonic or video communications that allow all participants to listen and respond to other participants instantaneously. ALCO meetings must not be voice-recorded for the purposes of minute taking, including through the use of the Zoom recording functionality

<p>Risk Management Committee (“RMC”)</p>	<p><u>Constitution/Membership</u></p> <p>The establishment of the RMC is authorized by the Board of Directors. The membership of the committee shall consist of 3 or more members with majority of them being members of the board of directors, including at least one independent director.</p> <p>Delegates are permitted to attend on behalf of members on an exception basis so long as the delegate is of sufficient seniority and can make decisions on behalf of the member and delegate attendance is approved by the chair in writing before the meeting (to the extent possible).</p> <p>As of the date of the current version of this charter, the Governance Committee consists of the members listed in Annexure II</p> <p>The chair has the discretion to add or remove members consistent with the mandate, provided such changes in membership do not conflict with any minimum commitments made to the relevant regulator(s) or any relevant Governance Standards.</p> <p><u>Attendance</u></p> <p>Members are expected to attend a minimum of 75% of Committee meetings held which will be tracked and monitored through the minutes of meeting. Persistent nonattendance will be escalated by the committee secretary to the Chair, as soon as identified, to address and revise the membership, if necessary. 75% attendance requirement must be calculated on rolling basis - only after having 12 months/meetings attendance tracking data.</p> <p><u>Periodicity & Quorum</u></p> <p>The committee shall meet on a quarterly frequency and can be held in person or by means of telephonic or video communications that allow all participants to listen and respond to other participants instantaneously.</p>	<p><u>Mandate, Scope and Responsibility:</u></p> <p>The RMC is framed as per the requirement of RBI Regulation and SEBI Regulation.</p> <p>The role of the Risk Management committee shall inter alia, include the following:</p> <ol style="list-style-type: none"> (1) Formulation of risk management policy which shall include: <ol style="list-style-type: none"> (a) Framework for identification of internal and external risks specifically faced by the entity, in particular including credit risk, market risk, liquidity risk, operational risk, compliance risk, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee. (b) Measures for risk mitigation including systems and processes for internal control of identified risks. (c) Business continuity plan (d) Any other matter basis regulatory guidance. (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company. (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems. (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity. (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken. <p>Any member of the Governance Committee can suggest to the chair items for inclusion in the agenda. The Risk function members have the right to have a topic included in the agenda. The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.</p>
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The quorum for a meeting, shall be either two members or one third of the members of the committee, whichever is higher, including at least one member of the board of directors in attendance. Delegates appointed by member and approved by chair will be counted toward Quorum.

Chairperson shall be a member of the board of directors and senior executives, as mentioned in Annexure II, will be members of the committee. The chair can convene the Governance Committee at any time, provided all members are given notice in advance.

Voting

Action taken by the Governance Committee shall be by the affirmative vote of at least a majority [the chair may decide that the voting should be higher than via majority of the members] of the Governance Committee members and delegates constituting a quorum for the meeting or by the written consent of a majority of the Committee members in lieu of a meeting.

Material

The Committee Chair is responsible for the quality of the meeting materials. The secretary should coordinate the preparation of the meeting materials. Materials should clearly explain the nature of the event/issue, impacted [businesses and/or functions], the key risks it presents, potential solutions, and actions required of the Governance Committee. The materials and presentations shall be distributed to the members sufficiently in advance of each meeting to permit meaningful review, but no less than 1 working day before the meeting [the chair is responsible for setting a deadline, it can be sooner but no less than 1 working day before the meeting].

Secretary

The chair shall nominate an individual to serve as secretary of the Governance Committee. The secretary of the

Agenda

The chair is accountable for the quality of the agenda of Governance Committee meetings.

Minutes

All Governance Committee meetings will be evidenced by minutes and drafts of the minutes will be circulated to the members for comment as soon as practically possible. Final minutes will be circulated to the Committee before next meeting. Minutes should evidence credible challenge (to the extent it happened in the meeting), review activities and decision making rationale.

Reporting and Escalation

The Committee meeting minutes shall be tabled in the Board Meeting for noting by the Board Members. At the discretion of the Chair, and in compliance with the Citi Escalation Policy, the Committee can escalate any matter reviewed, along with the Committee's recommendation and advice for further consideration, to the Board or franchise based governance committees. Further, currently RMC has no reporting sub-committees.

When escalating matters, the Governance Committee minutes must consider of (i) legal entity escalation channels, (ii) product and function escalation channels and (iii) geographic escalation channels (country, cluster, and region).

For liquidity, markets, compliance & operational risk related matters the CFIL RMC will coordinate with the relevant governance committee in the franchise for appropriate escalations in the regional governance committees as necessary.

Performance and Charter Review

The chair is responsible for the effective operation of the Risk Management Committee in accordance with this charter and for coordinating with other Governance Committees as needed. The chair shall preside at all meetings of RMC, at which he or she is present. The chair can delegate tasks but remains accountable for the effective operation of the RMC and is responsible for overseeing its performance.

The Governance Committee chair will arrange for a self-assessment against the terms of this charter no less than once per year and will take prompt action to remediate any deficiencies. The chair will oversee and verify that remedial action plans are completed.

In addition, the chair shall arrange for the review and assessment of the adequacy of the charter annually and the Committee must approve any amendments to the



Governance Committee is responsible for maintaining minutes and other records of its proceedings, in accordance with the 'Governance Committee Charter and Minutes Standard' and any applicable legal or regulatory requirements.

charter. Amendments to the charter which alter the authority of the Governance Committee must also be approved by the Governance Committee from which it derived its authority. The charter review will be part of the annual review for Corporate Governance Code.

<p><i>Corporate Social Responsibility Committee</i></p>	<p><u>Constitution/Membership</u></p> <p>The membership of the committee shall consist of 3 or more directors including at least one independent director.</p> <p><u>Periodicity & Quorum</u></p> <p>The Committee shall meet as required.</p> <p>The quorum for a meeting shall be the majority of the members being Present.</p> <p><u>Voting</u></p> <p>Action taken by the Committee shall be by the affirmative vote of at least a majority.</p>	<p>The committee shall act in accordance with the Corporate Social Responsibility (CSR) Policy of the Company.</p>
<p><i>Stakeholders Relationship Committee (“SRC”)</i></p>	<p><u>Constitution/Membership</u></p> <p>The membership of the committee shall consist of 3 or more Directors including Managing Director, Independent Director and such other members as may be decided by the Board from time to time.</p> <p>The Chairperson of the Committee shall be a non-executive Director and shall be present at the Annual General Meeting to answer the queries of the</p>	<p><u>Mandate, Scope and Responsibility:</u></p> <p>The SRC is framed as per the requirement of the Companies Act, 2013 and SEBI Regulation.</p> <p>The role of the committee would include to:</p> <ol style="list-style-type: none"> 1. Resolve the grievances of the security holders of the Company including complaints related to issue/allotment/ transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends/interest, issue of new/duplicate certificates, general meetings etc.

	<p>security holders.</p> <p><u>Periodicity & Quorum</u> The committee shall meet at least once in a year.</p> <p>The quorum for a meeting shall be minimum two members.</p> <p><u>Voting</u> Action taken by the Committee shall be by the affirmative vote of at least a majority.</p>	<ol style="list-style-type: none"> 2. Review of measures taken for effective exercise of voting rights by shareholders. 3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent. 4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/interest/annual reports/statutory notices by the shareholders of the Company. <p><u>Reporting and Escalation</u> The Committee meeting minutes shall be tabled in the Board Meeting for noting by the Board Members and also in the next Committee meeting. At the discretion of the Chair, and in compliance with the Citi Escalation Policy, the Committee can escalate any matter reviewed, along with the Committee's recommendation and advice for further consideration, to the Board.</p>
<p><i>IT Strategy Committee ("ITSC")</i></p>	<p><u>Constitution/Membership</u> The membership of the committee shall consist of 3 or more members including Independent Director, Chief Information Officer and such Other members as be decided by the Board from time to time.</p> <p>The meeting shall be chaired by Independent Director</p> <p><u>Periodicity & Quorum</u> The committee shall meet at-least twice in a year provided that gap between two meetings should not be more than six months</p> <p>The quorum for a meeting shall be minimum two members present of which one must be a Director.</p> <p><u>Voting</u> Action taken by the Committee shall be by the affirmative vote of at least a majority.</p>	<p><u>Mandate, Scope and Responsibility:</u> The IT Strategy Committee is formed as per the RBI Regulation.</p> <p>The role of the ITSC is to:</p> <ol style="list-style-type: none"> 1. approve IT strategy and policy documents and to ensure that the management has put an effective strategic planning process in place; 2. ascertain that management has implemented processes and practices that ensure that the IT delivers value to the business; 3. ensure IT investments represent a balance of risks and benefits and that budget are acceptable; 4. monitor the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources; 5. ensure proper balance of IT investments for sustaining NBFC's growth and becoming aware about exposure towards IT risks and controls; 6. institute an effective governance mechanism and risk management process for all IT outsourced operations;

		<p>7. carry out review and amend the IT strategies in line with the corporate strategies, board policy reviews, cyber security arrangements and any other matter related to IT Governance;</p> <p>8. work in partnership with other Board committees and Senior Management.</p> <p>The Committee will follow the IT charter as well.</p>
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Annexure II

Details on the constitution and members of various committees are enclosed below:

<p>Nomination and Remuneration Committee (NRC)</p>	<p>Ms. Anuradha Choudhury, Director Mr. Deepak Ghaisas, Independent Director Mr. Saurabh Shah, Independent Director</p> <p>Secretary to the meeting: Company Secretary</p>
<p>Audit Committee</p>	<p>Mr. Vivek Gomes, Managing Director Mr. Deepak Ghaisas, Independent Director Mr. Saurabh Shah, Independent Director</p> <p>Secretary to the meeting: Company Secretary</p>
<p>Debt Issuance and Allotment Committee</p>	<p>Managing Director Designated Dealer Chief Financial Officer Markets Treasury Head Operations Corporate Treasury</p> <p>Secretary to the meeting: Company Secretary</p>
<p>Asset Liability Committee (ALCO)</p>	<p><u>Voting Members</u> Managing Director Chief Financial Officer Markets Treasury Chief Risk Officer Corporate Treasury (Secretary) **Delegates shall form part the Quorum requirement</p> <p>Non-Members/ Invitees/Guests: Compliance Officer Business Heads Company Secretary Any specialists from Citibank who may be invited to advise on ALCO matters</p> <p>Secretary to the meeting (also a Voting member): Corporate Treasury</p>

<p>Risk Management Committee</p>	<p>Voting Members Managing Director Ms. Anuradha Choudhury, Director Mr. Saurabh Shah, Independent Director Compliance Officer Chief Risk Officer</p> <p>Permanent Invitees - CFIL Chief Financial Officer Head - SES or Loan against Shares portfolio Head - Corporate Lending Head - Small and Medium Segment Lending Head – Commercial Real Estate Portfolio Head - Treasury Operations Head - Legal and Litigation IT Strategy Officer Strategy and Governance Officer Internal Auditor Company Secretary</p> <p>Invitees- CBNA Chief Risk Officer, Citibank - India Head - Operational Risk Management Citi - India Market Risk Manager Citibank-India Representative of Risk Management team</p> <p>Secretary to the meeting: Chief Risk Officer (voting member) or as appointed by the chair</p>
<p>Corporate Social Responsibility Committee (CSR)</p>	<p>Mr. Vivek Gomes, Managing Director Ms. Anuradha Choudhury, Non-Executive Director Mr. Saurabh Shah, Independent Director</p> <p>Secretary to the meeting: Company Secretary</p>
<p>Stake Holder Relationship Committee</p>	<p>Mr. Vivek Gomes,, Managing Director Ms. Anuradha Choudhury, Director Mr. Deepak Ghaisas, Independent Director</p> <p>Secretary to the meeting: Company Secretary</p>
<p>IT Strategy Committee</p>	<p>Mr. Deepak Ghaisas, Independent Director Managing Director, CFIL Chief Information Officer & Chief Technology Officer (CIO & CTO), CFIL Citi Technology Infrastructure (CTI) Head, Citibank Continuity of Business (COB) Head, Citibank Chief Information Security Office (CISO), Citibank</p> <p>*Permanent Invitees Business Information Security Officer Citi Technology Compliance, Citibank Company Secretary</p> <p>Secretary to the meeting: Chief Information Officer, CFIL</p>