

## **TATA CAPITAL LIMITED**

### **GUIDELINES ON CORPORATE GOVERNANCE**

#### **COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The Company recognizes its role as a corporate citizen and endeavors to adopt the best practices and the highest standards of Corporate Governance through transparency in business ethics, accountability to its customers, government and others. The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them and adopt the best practices. As part of the Tata Group, the Company's philosophy on Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance practices.

The Corporate Governance philosophy has been strengthened with the implementation by the Company of the Tata Code of Conduct applicable to the Company and its employees. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors. Both these codes are available on the Company's website.

At the Meeting of the Board of Directors of the Company held on January 28, 2015, the Directors approved and adopted the Governance Guidelines for Board Effectiveness ("Guidelines"). These Guidelines are based on the Tata Group's deep belief in values, ethical conduct of business, commitment to social responsibility, respect for all stakeholders and sound corporate governance practices. The same are based on current and emerging best practices from both within and outside Tata companies and have been prepared keeping in view the provisions of the Companies Act, 2013 ("Act").

#### **RBI GUIDELINES ON CORPORATE GOVERNANCE**

In terms of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 issued by the Reserve Bank of India ("RBI") ["Directions"], NBFCs are required to frame their internal guidelines on Corporate Governance with the approval of Board of Directors and ensure compliance of the provisions prescribed in the Directions. In pursuance of the aforesaid Directions and the Governance Guidelines issued by Tata Sons Private Limited the Company had framed the following internal Guidelines on Corporate Governance.

#### **BOARD OF DIRECTORS**

The Board of Directors alongwith its Committees shall provide leadership and guidance to the Company's Management and direct, supervise and control the performance of the Company.

As per the Company's Articles of Association, the Board's strength is required to be a minimum of three to a maximum of twelve directors.

The Board of Directors of the Company shall have an optimum combination of Executive, Non-Executive, Independent and Woman Directors, as per the Guidelines / Regulations applicable to the Company.

A Director shall not hold the office of Director in more than 20 companies and the maximum

number of directorships in public companies shall not be more than 10.

Further, pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (“SEBI LODR”):

- A director shall not be a director/independent director in more than seven equity listed entities
- A whole-time director / managing director shall serve as an independent director in not more than three equity listed entities.

None of the Directors on the Company’s Board shall be a Member of more than 10 Board Committees and Chairman of more than 5 Board Committees (Committees being Audit Committee and Stakeholders Relationship Committee) across all companies in which they are Directors. All the Directors shall make the necessary annual disclosure regarding their change in concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including shareholding, directorships and committee positions and shall intimate changes as and when they take place.

The Directors shall act in accordance with the duties as provided under the Act and the, Independent Directors shall abide by the Code for Independent Directors under Schedule IV of the Act and SEBI LODR.

The Board shall periodically review Compliance Reports of all laws applicable to the Company prepared by the Company as well as steps taken by the Company to rectify instances of non-compliance.

## **BOARD MEETINGS**

Meetings of the Board of Directors shall be held atleast four times a year, such that not more than one hundred and twenty days shall intervene between two consecutive meetings.

## **CODE OF CONDUCT**

The Company shall adopt the Tata Code of Conduct for its employees including the Managing Director and a Code of Conduct for its Non-Executive Directors and Independent Directors. The same shall be posted on the Company’s web-site.

## **COMMITTEES OF THE BOARD**

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board shall constitute a set of Committees with specific terms of reference / scope. The Committees shall operate as empowered agents of the Board as per their Charter / terms of reference. The minutes of the meetings of all Committees of the Board shall be placed before the Board for discussions / noting.

**Details of the Board Committees are as under:**

### **1. Audit Committee**

The Audit Committee shall function as per the Audit Committee Charter (Annexure – A)

**2. Stakeholders Relationship Committee**

The Stakeholders Relationship Committee shall function as per the Stakeholders Relationship Committee Charter (Annexure – B)

**3. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee shall function as per the Nomination and Remuneration Committee Charter (Annexure – C)

**4. Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee shall function as per the Corporate Social Responsibility Committee Charter (Annexure – D)

**5. Risk Management Committee**

The Risk Management Committee shall function as per the Risk Management Committee Charter (Annexure – E)

**6. Information Technology Strategy Committee**

The Information Technology Strategy Committee shall function as per the Information Technology Strategy Committee Charter (Annexure – F)

**7. Investment Credit Committee**

The Investment Credit Committee shall function as per the Investment Credit Committee Charter (Annexure – G)

**8. Customer Service Committee**

The Customer Service Committee shall function as per the Customer Service Committee Charter (Annexure – H)

**SUBSIDIARY COMPANIES**

The signed minutes of the Board Meetings of the subsidiary companies shall be placed at every Board Meeting of the Company, along with a brief summary of the contents of the Minutes. The Management shall periodically bring to the attention of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the subsidiary company. The Board of a material subsidiary company is advised to have at least one non-independent NED who is not an employee of its holding/ subsidiary/ fellow subsidiary company Tata Capital Housing Finance Limited and Tata Capital Pte. Limited (Singapore) shall be material subsidiaries of the Company.

The Audit Committee of the holding company shall also review the functioning of the Audit Committees of the subsidiary companies.

## **SHAREHOLDERS**

Shareholders shall be informed of details regarding the appointment or re-appointment of a Director.

## **DISCLOSURES**

The Company shall make the disclosures required to be made under the Companies Act, 2013 and the Rules framed there under, the SEBI LODR, the RBI Guidelines and such other laws and regulations as may be applicable to the Company.

## **CEO/CFO CERTIFICATION**

The CEO i.e. the Managing Director and the CFO shall make the necessary certifications regarding the Financial Statements, internal controls, etc. to the Board.

## **COMPLIANCE OFFICER**

The Board of Directors shall designate a Compliance Officer to ensure compliance with applicable laws.

## **POLICIES ADOPTED BY THE COMPANY**

The Company shall adopt such policies, as may be required to adopt under the Companies Act, 2013, the SEBI LODR, the RBI Guidelines applicable to the company, and such other laws and regulations as may be applicable.

The policies adopted may be reviewed by the Board from time to time.

## Tata Capital Limited - Board Audit Committee Charter

The role of the Audit Committee shall flow directly from the Board of Directors' oversight function on corporate governance which holds the Management accountable to the Board and the Board accountable to the shareholders. Acting as a catalyst in helping the Company achieve its objectives, the Audit Committee's review function will include the financial reporting process, the system of internal financial controls, the audit process, the Company's process for monitoring compliance with laws and regulations and the Tata Code of Conduct.

### Authority

The Audit Committee shall act and have powers in accordance with the terms of reference which shall include the following:

- To investigate any activity within its terms of reference
- To seek information from any employee
- To obtain outside legal or other professional advice
- To secure attendance of outsiders with relevant expertise, if it considers it to be necessary
- To have full access to information contained in the records of the Company

### Composition

- The Audit Committee shall have minimum three Members, all being Non-executive Directors, of which at least 2/3<sup>rd</sup> of the Members shall be Independent Directors.
- All Members of the Audit Committee shall be financially literate and at least one Member shall have accounting or related financial management expertise.
- The Chairperson of the Audit Committee shall be an Independent Director.
- The Company Secretary shall act as Secretary to the Audit Committee Meetings.

### Meetings

- The Audit Committee shall meet periodically, but at least 4 times a year and not more than 120 days shall elapse between two successive Meetings.
- One Meeting shall be held before the annual accounts and quarterly/ half-yearly accounts / financial results are presented to the Board.
- The quorum for Meetings of the Audit Committee shall be either two Members or one-third of the Members of the Audit Committee, whichever is greater, with at least two Independent Directors.
- The Chief Financial Officer, Internal Auditor and a Representative of the External (Independent) Auditors should be requested to be present as invitees for the Meetings of the Audit Committee. However, such persons shall not have the right to vote.
- The Audit Committee may invite such of the executives, as it considers appropriate (particularly, the Head of the Finance Function), to be present at the Meetings of the Audit Committee. Such persons shall not have the right to vote. On occasions considered necessary, the Audit Committee may also meet without the presence of any executive of the Company.
- The Auditors of the Company and the Key Managerial Personnel shall have a right to be heard at the Meetings of the Audit Committee when it considers the Auditors' Report but they shall not have the right to vote.

### Attendance at General Meetings

The Chairperson of the Audit Committee shall be present at the Annual General Meeting of the Company to answer shareholders' queries. However, in case of Extraordinary General Meeting(s) ("EGM"), the Chairperson of the Audit Committee, in his/her absence, may authorize any other Member of the Committee to attend the EGM to answer shareholders' queries.

## Responsibilities

The Audit Committee shall have discussions with the Auditors periodically about internal financial control systems, the nature and scope of audit, including the observations of the Auditors and review the quarterly & year-to-date and annual financial statements and/or financial results before submission to the Board and recommend the same to the Board for its consideration and also oversee compliance of internal financial control systems. In addition, the responsibilities of the Audit Committee shall include the following:

## Financial Statements

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are true, fair, correct, sufficient and credible.
- Reviewing with the Management the quarterly & year-to-date and annual financial statements and/or financial results and the Auditors' report thereon before submission to the Board, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement in the Board's Report in terms of Section 134(3)(c) of the Companies Act, 2013
  - Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on exercise of judgment by the Management
  - Modified opinion(s) in the draft Auditors' Report, if any
  - Significant adjustments made in the financial statements arising out of audit findings
  - The going concern assumption
  - Compliance with Accounting Standards
  - Compliance with the listing and other legal requirements concerning financial statements
  - Scrutiny of inter-corporate loans and investments
  - Disclosure of contingent liabilities
  - Disclosure of any related party transactions as per the relevant Accounting Standards, the Companies Act, 2013 and Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time.
  - The effect of regulatory and accounting initiatives as well as off- balance-sheet structures, on the financial statements.
  - Company's press releases, as well as financial information and earnings guidance, if any, provided to analysts and rating agencies.
  - Reviewing and evaluating the Company's financial and risk management systems.

## Review and Examination of Information

- Internal audit reports relating to internal control weaknesses.
- Financial Statements and draft Auditors' Report thereon, including the draft limited review report of the Auditors.
- Management Discussion and Analysis of financial condition and results of operations.
- Reports relating to risk management and compliance with applicable laws.
- Management letters / letters of internal control weaknesses issued by the Statutory / Internal Auditors.

## Internal Control

- Evaluation of the internal financial controls, accounting policies, etc. with the Management, external and internal auditors, and to review the adequacy of internal financial control systems.

## Risk Based Internal Audit ("RBIA")

- Reviewing the Internal Audit Report and action taken thereon.
- Reviewing the adequacy and performance of the RBIA function, including the Internal Audit Charter, the structure of the internal audit department, approval of the RBIA Plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.

- The Chief Internal Auditor shall have a direct and independent line of reporting to the Audit Committee and administratively to the Managing Director & CEO.
- Reviewing the appointment, removal and terms of remuneration of the Chief Internal Auditor.
- Discussing with the Internal Auditor any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations carried out by the Internal Auditor into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Reviewing and monitoring the performance and effectiveness of the Internal Audit process.
- Appointment of Auditors to undertake such audits as may be directed by the Audit Committee /law/ Board, from time to time.
- The Chief Internal Auditor shall meet the Audit Committee of the Board without the presence of Management once in every financial year.

#### Information Systems (“IS”) Audit

- Exercising oversight of IS Audit (part of the overall Internal Audit function) of the Company.
- Review high and moderate issues highlighted related to Information Technology (“IT”) / Information Security / Cyber Security and provide appropriate direction and guidance to the Management.
- Approve Information Security (IS) Audit Policy of the Company and review it annually.
- To approve engagement of any external service provider for IS audit services, where skills are lacking within the IA function. The responsibility and accountability for such external IS audits would continue to remain with the competent authority within Internal Audit function.

#### External Audit

- Recommending to the Board the appointment / re-appointment and removal / replacement of the Statutory (External) Auditors, fixation of the remuneration and terms of appointment of the Auditors and also approval for payment for any other services rendered by the Auditors, as permitted by law. While considering the appointment of the statutory auditor, the committee shall consider any order or pending proceedings relating to professional matters of conduct against the proposed auditor before the Institute of Chartered Accountants of India or any other competent authority or any Court.
- Discussing with the Statutory Auditors before the audit commences, the nature and scope of audit as well as post-audit discussion to ascertain any areas of concern.
- Reviewing and monitoring the Auditor’s independence and performance and the effectiveness of the audit process.

#### Subsidiary companies

- The Audit Committee may recommend the adoption of policies, procedures and processes laid down by it to the Audit Committee of its subsidiaries. Further, the Audit Committee may review the critical issues that may be referred by the Audit Committees of material subsidiaries to the Audit Committee of the Company.
- Reviewing the financial statements of the subsidiaries, in particular the investments made by the subsidiary companies.
- Overseeing compliance with legal and regulatory requirements, including the Tata Code of Conduct (“TCoC”) for the Company and by its material subsidiaries.
- Overseeing financial reporting controls and processes for material subsidiaries.

#### Related Party Transactions

- Performing activities and carrying out functions as laid down in the Framework for Related Party Transactions adopted by the Board.

#### Fraud

- All cases above Rs. 1 crore are required to be monitored and reviewed by the Audit Committee.

- Additionally, a report containing details of attempted frauds involving an amount of Rs. 25 lakh and above shall be placed before the Audit Committee of the Board for its noting.

#### Defaults

- Looking into the reasons for substantial defaults/delays in payments to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

#### Others

- Audit Committee may consider and adopt the policies, procedures and processes laid down by the Audit Committee of the Holding Company. Further, critical issues may be referred by the Audit Committee to the Audit Committee of the Holding Company.
- Recommending the appointment of Chief Financial Officer to the Nomination and Remuneration Committee / Board of Directors, after assessing the qualifications, experience and background, etc. of the candidate.
- Reviewing the functioning of and compliance with the Company's Whistle Blower Policy.
- Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency with regard to monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing the valuation of undertakings or assets of the Company, wherever it is necessary and the appointment of Registered Valuers.
- Reviewing on an annual basis, the utilization of loans and/ or advances from/investment by the Company in its subsidiary(ies) exceeding Rs. 100 crore or 10% of the asset size of the subsidiary, whichever is lower, including existing loans / advances / investments.
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.
- Review the Statement of deviations, if any, indicating the utilization of issue proceeds of the listed non-convertible debentures.
- Refer the complaints, wherever warranted, related to corporate frauds, misappropriation, etc. except those resulting from deficiency in service, if any, on the part of the Company, to the Internal Ombudsman.

#### Compliance

- Reviewing the Compliance policy of the Company at least annually and overseeing its implementation. Amendments, if any, in the Policy shall be subject to the approval of the Board.
- Reviewing on an annual basis progress in rectification/ implementation of recommendations pointed out in various audits and RBI Inspection reports-
- Review the compliance risk on a quarterly basis based on monitoring and testing results
- Approve the risk-based compliance testing and monitoring plan
- Reviewing the process for communicating the TCoC to Company personnel and for monitoring compliance therewith.
- Obtaining regular updates from the Management and Company legal counsel regarding compliance matters.
- Review the appointment/re-appointment, removal and terms of remuneration of the Chief Compliance Officer.

#### Reporting Responsibilities

- The Audit Committee shall recommend to the Board, the quarterly & year-to-date and annual Financial Statements / Financial Results after reviewing the same.



- The Audit Committee will update the Board, periodically.
- The Board's Report shall disclose the composition of the Audit Committee, brief description of the scope of the Audit Committee Charter, names of the Members and the Chairperson of the Audit Committee and brief details of Meetings and attendance at Audit Committee Meetings.
- The recommendations of the Audit Committee on any matter relating to financial management, management discussion and analysis of financial condition and result of operations after its review, including the Auditors' Report, shall be binding on the Board.
- If the Board does not accept the recommendations of the Audit Committee, it shall disclose the same in the Board's Report, together with the reasons therefor.

#### Responsibilities under the Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices

- Setting forth the policies relating to and overseeing the implementation of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("Regulations"), as amended from time to time and the Code of Conduct for Prevention of Insider Trading ("Code") and Code of Corporate Disclosure Practices ("Code")
  - Taking on record such reports as may be required from the Compliance Officer under the Code;
  - Deciding penal and disciplinary action in respect of violation of the Regulations / Code; and
- Reviewing compliance with the provisions of the Code, at least once in a financial year and to verify that the systems for internal control are adequate and are operating effectively.

#### Other Responsibilities

- Monitoring the effectiveness and reviewing the implementation of the Anti-Bribery and Anti-Corruption Policy, considering its suitability, adequacy and effectiveness.
- Performing other activities related to this Charter as may be requested by the Board of Directors.
- Carrying out additional functions as contained in any other regulatory requirements applicable to the Company or in the terms of reference of the Audit Committee.
- Instituting and overseeing special investigations as needed.
- The Chairperson of the Committee shall confirm annually to the Board that all responsibilities outlined in this Charter have been carried out.

#### Review of Committee Charter

- The adequacy of this Charter shall be reviewed and reassessed by the Board of Directors from time to time, as it may deem appropriate (based on changes that may be brought about due to the regulatory framework or otherwise).

#### Sitting Fees

- Members of the Committee shall receive such sitting fees, if any, for their services as Committee members as may be determined by the Board at its sole discretion.

#### Committee Evaluation

The Committee shall undergo an annual self-evaluation of its performance and report the result to the Board. Indicative areas for evaluation as part of this exercise include:

- Degree of fulfilment of key responsibilities,
- Adequacy of Committee composition,
- Effectiveness of meetings,
- Committee dynamics,
- Quality of relationship of the Committee with the Board and the Management.

# CHARTER FOR THE STAKEHOLDERS' RELATIONSHIP COMMITTEE OF THE BOARD OF TATA CAPITAL LIMITED

## 1. Applicability

Setting up of Stakeholders' Relationship Committee ("SRC") of the Board is required in terms of Section 178 of the Companies Act, 2013 and the Rules framed thereunder and Regulation 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.

## 2. Composition

- The SRC shall comprise of at least three Directors, with at least one being an Independent Director, as Members of the Committee.
- The Chairperson of the Committee shall be Non-Executive Director

## 3. Meetings and Quorum

- The SRC shall meet at least once in a year.
- The quorum for Meetings of the SRC shall be one third of the members of the SRC or two members, whichever is higher.
- The Company Secretary shall act as the Secretary to the SRC. The Secretary will, *inter alia*, keep minutes of proceedings of Meetings of SRC and report the actions taken on matters arising out of earlier meetings.

## 4. Attendance at General Meetings

- The Chairperson of the SRC shall be present at the Annual General Meeting of the Company to answer shareholders' queries. However, in case of Extraordinary General Meeting(s) the Chairperson of the SRC, in his/her absence, may authorize any other Member of the Committee to attend the Extraordinary General Meeting(s) to answer shareholders' queries.

## 5. Role and Powers

The SRC shall:

- Review statutory compliances relating to the holders of securities issued by the Company.
- Consider and resolve the grievances of the holders of securities issued by the Company, including complaints related to transfer / transmission of securities, non-receipt of Annual Report / declared dividends / Notices / payment of interest or principal amount on Non-Convertible Debentures ("NCDs") issued by the Company, issue of new / duplicate certificates, general meetings, etc.
- Oversee compliances in respect of dividend payments / interest and principal payment on NCDs and transfer of unclaimed amounts to the Investor Education and Protection Fund, as applicable.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends / interest or principal amount on NCDs and ensuring timely receipt of dividend warrants / timely receipt of interest or principal

amount on NCDs /annual reports/statutory notices by the shareholders of the Company.

- Oversee and review matters related to the transfer of securities issued by the Company.
- Approve issuance of new/duplicate certificates of securities issued by the Company.
- Review movements in shareholding and ownership structure of the Company
- Review of measures taken for effective exercise of voting rights by shareholders.
- Ensure setting up of proper controls on the performance and adherence to service standards of the Company by the Registrar and Share Transfer Agent and oversee the same.
- Recommend measures for overall improvement of the quality of investor services.
- Carry out such other functions as may be delegated by the Board from time to time.

## **6. Reporting**

The SRC will periodically report to the Board on various matters that have been referred to the Committee.

## **7. Compensation**

The Members of the SRC shall receive such sitting fees, if any, for their services as Committee Members as may be determined by the Board at its sole discretion.

## **8. Review of Committee Charter**

The adequacy of this Charter shall be reviewed and reassessed by the Board of Directors from time to time, as it may seem appropriate (based on changes that may be brought about to the regulatory framework or otherwise).

## **9. Compliance with the Charter**

The Chairperson of the Committee shall confirm annually to the Board that all responsibilities outlined in this Charter have been carried out.

## **10. Committee Evaluation**

The Committee shall undergo an annual self-evaluation of its performance and report the result to the Board. Indicative areas for evaluation as part of this exercise include:

- Degree of fulfilment of key responsibilities,
- Adequacy of Committee composition,
- Effectiveness of meetings,
- Committee dynamics,
- Quality of relationship of the Committee with the Board and the Management.



Board Committee Charter

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*Nomination and Remuneration Committee Charter*

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## **1. Principles and Objectives**

- 1.1.** The Nomination and Remuneration Committee ("Committee") of the Board of directors ("Board") of Tata Capital Limited ("the Company") will report to the Board and shall:
- Support the Board in matters related to setup and composition of the Board, its Committees and the leadership team of the Company comprising Key Managerial Personnel ("KMP") and the Senior Management Personnel (as defined herein).
  - Carry out the evaluation of every Director's performance and support the Board and Independent Directors, as may be required, in evaluation of the performance of the Board, its Committees and individual Directors
  - Support the Board in matters related to remuneration of Directors, KMPs, Senior Management Personnel and other employees.
  - Extend oversight on the familiarization programme for Directors.
  - Extend oversight on the HR philosophy, HR and People strategy and key HR practices.

## **2. Composition**

- 2.1.** The Committee shall comprise three or more Directors, out of which at least two third shall be Independent Directors.
- 2.2.** All Directors of the Committee shall be Non-Executive Directors.
- 2.3.** The Chairperson of the Committee shall be an Independent Director.
- 2.4.** The Chairman of the Board (whether Executive or Non-executive) may be appointed as a Member of the Committee but shall not chair the Committee.
- 2.5.** The Head / Chief of Human Resources of the Company may assist the Committee as required and may attend the meetings of the Committee as per requirement on invitation.
- 2.6.** The Company Secretary of the Company shall act as the Secretary to the Committee and will be responsible for taking adequate minutes of the proceedings and reporting on actions taken in the subsequent meeting.
- 2.7.** Representatives from Group Human Resources may attend the meetings of the Committee as per requirement on invitation.

### **3. Meetings and Quorum**

- 3.1. The Committee shall meet as often as needed to discuss matters. However the Committee shall meet at least once in a year.
- 3.2. The quorum for a meeting of the Committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.

### **4. Authority and Power**

The Committee shall have the power to:

- Investigate any matter within the scope of this Charter or as referred to it by the Board.
- Seek any information or explanation from any employee or director of the Company.
- Invite such executives, as it considers appropriate to be present at the meetings of the Committee.
- Ask for any records or documents of the Company.

The Committee may also engage (on reasonable terms acceptable to the Board and at the expense of the Company) independent consultants and other advisors and seek their advice on matters related to discharge of its responsibilities.

### **5. Responsibilities**

The responsibilities of the Committee shall include the following:

#### **5.1. Board Composition and Succession related:**

- Recommend to the Board the setup and composition of the Board. This shall include “*Formulation of the criteria for determining qualifications, fit & proper status, positive attributes and independence of a director*”. This also includes periodical review of composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Support the Board in matters related to the setup, review and refresh of the Committees.
- Devise a policy on Board diversity.
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description.
- Recommend to the Board, the appointment or reappointment of Directors. For the purpose of identification of prospective Directors, the Committee may be supported by Group Human Resources, use the services of an external agencies, if required. The Committee shall consider candidates from a wide range of backgrounds having due regard to diversity and the time commitments of the candidates.
- As NRC of the parent/ holding company, may recommend to the Board of the parent/ holding Company, how the Company will vote on resolutions for appointment of Directors on the Board of its material subsidiary companies.

- Recommend to the Board, the appointment of KMPs and changes in the following positions / functions, irrespective of the managerial grade:
  - Key Managerial Personnel (KMP)
    - Managing Director
    - Chief Financial Officer; and
    - Company Secretary.
  - Senior Management Personnel: As per Section 178 of the Companies Act, 2013 and as per Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, officers and personnel of the Company who are members of its core management team, excluding the Board of Directors comprising of all members of the management one level below the Managing / Executive Director, including the functional heads, by whatever name called.

### 5.2. **Evaluation related:**

- The Committee shall specify the manner and criteria for effective evaluation of performance of Board, its Committees and individual Directors including Independent Directors to be carried out either by the Board, by the Committee or by an independent external agency. The Committee shall support the Board and Independent Directors, as may be required, in the evaluation process and shall also review its implementation and compliance.
- Oversee the performance review process for the KMPs and the Senior Management Personnel with the view that there is an appropriate cascading of goals and targets across the Company.
- Recommend to the Board as to whether to extend or continue the term of appointment of the independent director, *inter alia*, on the basis of the report of performance evaluation of independent directors.

### 5.3. **Remuneration related:**

- Oversee the framing, review, implementation and recommend to the Board for its approval the Remuneration Policy for the Directors, KMPs, the Senior Management Personnel and other employees.
- Review of the Compensation structure i.e. design of annual and long term compensation plan (including share linked instruments, mix of cash and share linked instruments, deferred payment plans which may be subject to malus/ claw back arrangements, etc.)
- While formulating such a policy, the Committee shall ensure that:
  - The Policy has the necessary provisions as required under the applicable laws and regulations;
  - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
  - compensation levels are supported by the need to retain earnings of the Company and the need to maintain adequate capital;
  - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - remuneration to Directors, KMPs and the Senior Management Personnel involves a balance between fixed and variable pay reflecting short and long-



term performance objectives appropriate to the working of the Company and its goals

- The NRC may work in close co-ordination with Risk Management Committee to achieve effective alignment between compensation and risks;
- On an annual basis, recommend to the Board, the remuneration, in whatever form, payable to Directors, KMPs and Senior Management Personnel of the Company. This includes review and recommendation of actual payment of annual and long-term incentives for MD/EDs, KMPs and the Senior Management Personnel.
- Review matters related to remuneration and benefits payable upon retirement and severance to MD/EDs, KMPs and the Senior Management Personnel.
- Review matters related to voluntary retirement and early separation schemes for the Company.
- Provide guidelines for remuneration of Directors on material subsidiaries.
- As NRC of the parent/ holding company, may recommend to the Board of the parent/ holding company how the Company will vote on resolutions for remuneration of directors on the Boards of its material subsidiary companies.
- Assist the Board in fulfilling its Corporate Governance responsibilities relating to remuneration of Board, KMPs and the Senior Management Personnel members. This includes review and approval of any information related to Directors, KMPs, the Senior Management Personnel and their remuneration to be presented in the Annual Report or other external communications (statutory or otherwise).

**5.4. Board Development related:**

- Oversee familiarization programmes for Directors.

**5.5. Review of HR Practices:**

- Review the efficacy of HR practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for Board, KMPs and the Senior Management Personnel).

**5.6. Attendance at General Meetings:**

- In accordance with the provisions of the applicable laws, the Chairperson of the Committee or in his/her absence, any other Member of the Committee, so authorised by him/her on his/her behalf shall attend the general meetings of the Company to address the shareholders' queries.

**5.7. Other functions:**

- Perform other activities related to the Charter as requested by the Board, from time to time.
- Scrutinise the declarations received from the proposed / existing Directors to undertake a process of due diligence to determine the suitability of the person for appointment / continuing to hold office as a Director on the Board and decide on the acceptance or otherwise of the Directors and ensure "Fit and Proper" status of Directors at the time of appointment and on continuing basis and that there is no conflict of interest in appointment of directors on Board of the Company, KMPs and Senior Management.

- Recommend commission payable to the Directors, subject to the prescribed limits and approval of the shareholders.
- Perform such other duties and responsibilities as may be consistent with the provisions of the NRC charter.

## **6. Reporting**

The Committee will periodically report to the Board on various matters that it has considered.

## **7. Committee Evaluation**

The Committee shall undergo an annual self-evaluation of its performance and report the result to the Board. Indicative areas for evaluation as part of this exercise include:

- Degree of fulfilment of key responsibilities,
- Adequacy of Committee composition,
- Effectiveness of meetings,
- Committee dynamics,
- Quality of relationship of the Committee with the Board and the Management.

## **8. Review of Charter**

The adequacy of this Charter shall be reviewed and reassessed by the Board of Directors from time to time, as it may seem appropriate (based on the changes that may be brought about due to the regulatory framework or otherwise).

## **9. Compliance with the Charter**

The Chairman of the Committee shall confirm annually to the Board that all responsibilities outlined in this Charter have been carried out.

## **10. Subsidiary Companies**

Subsidiary companies of the Company shall also form Nomination and Remuneration Committee, as applicable under law. The Committee shall share with its subsidiary companies, such policies and practices as would enable the Boards and the NRCs of those companies to harmonise their policies and practices with those of the parent Company. If required, it shall also provide any assistance that such subsidiaries may require.

## CHARTER FOR THE CORPORATE SOCIAL RESPONSIBILITY COMMITTEE OF THE BOARD OF TATA CAPITAL LIMITED

### 1. Applicability

Setting up of a Corporate Social Responsibility Committee (“CSRC”) of the Board is required in terms of Section 135 of the Companies Act, 2013 (“Act”), the Rules framed thereunder (“CSR Rules”) and Schedule VII to the Act, as amended from time to time.

### 2. Composition

2.1 The CSRC shall comprise three or more Directors, out of which, at least one Director shall be an Independent Director and one shall be a Non-independent Non-executive Director.

### 3. Meetings and Quorum

3.1 The CSRC shall meet at least once a year.

3.2 The quorum for Meetings of the CSRC shall be one third of the members of the Committee or two members, whichever is higher.

3.3 The Company Secretary shall act as Secretary to the CSRC. The Secretary will, *inter alia* keep minutes of the proceedings of Meetings of CSRC and report the actions taken on matters arising out of earlier meetings.

### 4. Role and Powers

The Committee shall have the powers to:

- Formulate and recommend to the Board, a CSR Policy which shall include the guiding principles for selection, implementation and monitoring of the activities to be undertaken by the Company as specified in Schedule VII to the Act or any amendment thereto (“CSR Activities”) as well as formulation of the annual action plan by the Company.
- Formulate and recommend to the Board an Annual Action Plan in pursuance of the CSR Policy and in accordance with the applicable Rules. Recommend alteration in such Plan to the Board of Directors, at any time during the financial year, based on the reasonable justification to that effect.
- Recommend the amount of expenditure to be incurred on CSR activities.
- Monitor the CSR Policy of the Company and expenditure of the subsidiaries from time to time and institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.
- Oversee the Company’s conduct with regard to its corporate and societal obligations and its reputation as a responsible corporate citizen.
- Oversee activities impacting the quality of life of the beneficiaries of the CSR projects.
- Carry out such other functions as may be delegated by the Board from time to time.

## **5. Reporting**

- 5.1 Progress reports on CSR activities to be circulated to the Board of Directors on a quarterly basis
- 5.2 The Company's Board's Report shall include an Annual Report from the CSRC on CSR, containing such details as provided in the Annexure to the CSR Rules as also the details about the CSR Policy developed and implemented by the Company on CSR initiatives taken during the year.

## **6. Compensation**

The Members of the CSRC shall receive such sitting fees, if any, for their services as Committee members as may be determined by the Board at its sole discretion.

## **7. Review of Committee Charter**

The adequacy of this Charter shall be reviewed and reassessed by the Board of Directors from time to time, as it may seem appropriate (based on changes that may be brought about due to the regulatory framework or otherwise).

## **8. Compliance with the Charter**

The Chairman of the Committee shall confirm annually to the Board that all responsibilities outlined in this Charter have been carried out.

## **9. Committee Evaluation**

The Committee shall undergo an annual self-evaluation of its performance and report the result to the Board. Indicative areas for evaluation as part of this exercise include:

- Degree of fulfilment of key responsibilities,
- Adequacy of Committee composition,
- Effectiveness of meetings,
- Committee dynamics,
- Quality of relationship of the Committee with the Board and the Management.

## **CHARTER FOR THE RISK MANAGEMENT COMMITTEE OF BOARD OF TCL**

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The Charter for the Risk Management Committee of the Company aims at defining roles and responsibilities of the Risk Management Committee who assists the Board for sound Risk Management.

### **Risk Management Philosophy**

- To build profitable and sustainable business with conservative risk management approach
- To have risk management as an integral part of the Company's business strategy
- To undertake businesses that are well understood and within acceptable risk appetite.
- To manage the risks proactively across the Company
- To adopt best risk management practices with resultant shareholder value creation and increased stakeholder confidence
- To develop a strong risk culture across the Company

### **Risk Management Structure**

The Board of Directors oversee the Company's risk management strategy, processes and controls, whilst the Management is charged with the day-to-day management of the Company's risks.

The Board also sets and approves the objectives for Risk Management and Risk Philosophy. The Board shall be responsible for monitoring and reviewing of risk assessment of the organization periodically.

The Board shall put in place policies to safeguard the independence of the Chief Risk Officer.

The Risk Management Function shall be managed by the Committee of the Board with the assistance from the Risk Management Department.

**A) Risk Management Committee of the Board (RMC):** The purpose of the Committee is to assist the Board in its oversight of various risks viz (i) Credit Risk (ii) Market & Liquidity Risk (iii) Operational Risk (Process, People, Outsourcing, Technology, Business Continuity and Fraud) (iv) Strategic Risks (including emerging and external risks) (v) Compliance and Governance (vi)Reputation Risk(vii) Information Security and Cyber Security Risk. And any other emerging risks.

The Committee shall, *inter alia*,

- Review and analyse risk exposure related to specific issues and provide oversight of risk across the Company.
- Review and monitor risk profile of subsidiaries.
  - Monitors breaches / triggers of risk tolerance limit and directs action.
  - Reviews reports of significant issues prepared by internal risk oversight functional groups, including risk exposure related to specific issues, concentration, and limits excesses.
  - Nurtures a healthy and independent risk management function in the company.
  - Inculcates & promotes risk culture within the organization.
  - Approves the Enterprise-wide Risk Management (ERM) framework periodically.

## **CHARTER FOR THE RISK MANAGEMENT COMMITTEE OF BOARD OF TCL**

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- The committee is governed by the charter as approved by the board.
- Formulate a detailed Enterprise Risk Management Policy/Framework which shall include:
  - A framework for identification of internal and external risks specifically faced by the Company, in particular including credit, market, operational, information, cyber security risks or any other risk as may be determined by the Committee.
  - Measures for risk mitigation including systems and processes for internal control of identified risks.
  - Business continuity plan.
- Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company. Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
- Review the appointment, removal and terms of remuneration of the Chief Risk Officer.
- Have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

### **Risk Assurance – Risk Management Practices**

The RMC shall evaluate the adequacy of the risk management system of the Company and to obtain reasonable assurance with respect to the Company's risk management practices, the RMC shall periodically review:

- Analyse the material risks to which the group, its businesses and subsidiaries are exposed.
- Discuss all risk strategies both at an aggregated level and by type of risk and make recommendations to the Board in accordance with the group's overall risk appetite.
- Identify potential intra-group conflicts of interest.
- Assess whether there are effective systems in place to facilitate exchange of information for effective risk oversight of the group.
- Assess whether the corporate governance framework addresses risk management across the group.
- evaluate the adequacy of the risk management system of the Company.
- the nature and extent of the risk exposures including risk exposures that may emerge from the macro and micro economic factors.
- The likelihood and impact of identified risks.
- The risk categorization and risk treatment for the identified risks (accept, reduce/ mitigate, transfer or avoid) the effectiveness of mitigation plans introduced by the company to reduce/ the risks.
- review with the Company's Legal Head and solicitors about the various legal matters which may have an impact on the financial statements and functioning of the Company.
- Discuss with Management, the company's policies with respect to risk assessment and risk management including appropriate guidelines for related processes and major financial risk exposures.

## **CHARTER FOR THE RISK MANAGEMENT COMMITTEE OF BOARD OF TCL**

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- Operation Risk Management (ORM) and Fraud Risk Management (FRM) monitoring and highlighting of identified risk at the group level through ORM Committee and FRM Committee on quarterly basis.
- Information security risk related matters are reviewed by Information technology steering committee periodically, any identified risk and measure to reported into RMC accordingly.

### **Composition**

The Committee shall comprise of Chairman, Managing Director & CEO and one/two Non-executive Directors as members including at least one Independent Director.

The Chairman of the Committee shall be a Non-executive Director.

### **Meetings and Quorum**

The Committee shall meet at least once in every quarter.

Any two members or one-third of the members of the Committee, whichever is greater, shall be the quorum for the Committee meetings.

The Committee may invite such of the executives, as it considers appropriate to be present at the meetings of the Committee. However, the Chief Risk Officer, Chief Internal Auditor, Chief Compliance Officer and the Chief Financial Officer shall be permanent invitees to the Risk Management Committee meeting. The Roles and Responsibilities of the Chief Risk Officer of the Company is attached herewith as Annexure A.

Chief Risk Officer shall have a direct reporting line to the Managing Director & CEO / RMC of the Board. In case the CRO reports to the MD, the RMC/ Board shall meet the CRO without the presence of the MD, at least on a quarterly basis.

The Company Secretary shall act as the Secretary to the Committee Meetings. The Secretary will keep adequate minutes of the proceedings and report on actions taken in the subsequent meeting.

### **Reporting**

The Committee will periodically report to the Board on various matters that it has considered and inform the Board about the nature and content of its discussions, recommendations and Actions to be taken.

### **Compensation**

Members of the Committee shall receive such sitting fees and/ or commission, if any, for their services as Committee members as may be determined by the Board.

### **Review of Committee Charter**

The adequacy of this Charter shall be reviewed and reassessed by the Board of Directors from time to time, as it may seem appropriate (based on changes that may be brought about to the regulatory framework or otherwise).

## **CHARTER FOR THE RISK MANAGEMENT COMMITTEE OF BOARD OF TCL**

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### **Compliance with the Committee Charter**

The Chairman of the Committee shall confirm annually to the Board that all responsibilities outlined in this Charter have been carried out.

### **Committee Evaluation**

The Committee shall undergo an annual self-evaluation of its performance and report the result to the Board. Indicative areas for evaluation as part of this exercise include:

- Degree of fulfilment of key responsibilities,
- Adequacy of Committee composition,
- Effectiveness of meetings,
- Committee dynamics,
- Quality of relationship of the Committee with the Board and the Management.



## CHARTER FOR THE RISK MANAGEMENT COMMITTEE OF BOARD OF TCL

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### **Key Role and Responsibilities of the Chief Risk Officer (“CRO”) - Tata Capital Limited (“TCL”)**

The CRO of Tata Capital Limited is responsible for enabling the efficient and effective governance of significant risks to the business of the Tata Capital Limited and its various subsidiaries (referred to as “company” in the note). The CRO is responsible for the designing and implementing the company's enterprise risk management practices, covering all aspects of internal and external risks. She/He will also be involved in evaluating, managing and reporting all aspects of market risk, operational risk, cyber security and fraud control for TCL and all its subsidiaries. The CRO will ensure the deployment of processes and procedures to evaluate the internal and external risks, identify the key risks to the company, manage/mitigate the identified risks and report the status of the company against the same. The following constitute the responsibilities of the CRO of TCL: -

1. Define the Enterprise Risk **Policy/Framework** for the firm and obtain due approvals for the same from the Risk Management Committee of the Board of TCL. The Policy shall cover all aspects of identification, measurement and mitigation of risks. It shall also cover monitoring of key risks covering strategic, reputational, operational, credit, market, cyber security and compliance-related risks.
2. All credit products (retail or wholesale) shall be vetted by the CRO / Risk team from the angle of inherent and control risks.
3. Oversee and guide the CROs of all subsidiaries of Tata Capital Ltd. Assist them & business team in identification of markets, products and processes in line with the Risk Policy of the company.
4. The CRO-TCL will play an advisory role in underwriting. He shall be a member of the Management Credit Committee (**MCC**) and invitee to the Investment Credit Committee (**ICC**) of the subsidiaries of TCL and vote on proposals brought to the said committees. The CRO – TCL will also be an invitee to the **ALCO** of TCL and its subsidiaries.
5. Identify and analyse risks related to total loan portfolio and ensure **Portfolio Quality**. Establish risk thresholds for various risks factors and exposures (e.g. borrowers' limits, exposure limits, customer category, ticket size, etc.) in partnership with the subsidiaries/businesses.
6. Develop the **Systems** for risk analysis of credit proposals, risk documentation and loan approval process. Develop qualitative and quantitative risk **Models** for assessing risk and report the performance on risk parameters to the Executive Management and the Board. Build and maintain **Early Warning Signals** for key risk parameters.
7. Leverage technology to predict risk outcomes.
8. Design the **Operational Risk** framework for the company, implement processes and procedures to mitigate the same, monitor and report the performance of the company on identified operational risk parameters.
9. Design and maintain the framework for reputational risk and compliance risk, implement processes and procedures to mitigate the same, monitor and report the performance of the company on identified compliance and reputational risk.
10. Design and maintain the **Market Risk** framework for the company, implement processes and procedures to mitigate the same, monitor, and report the performance of the company on identified market risk parameters.
11. Design and maintain the **Cybersecurity** framework for the company and deploy the same.
12. Design and maintain the **Fraud Risk Management** framework for the company.

## **CHARTER FOR THE RISK MANAGEMENT COMMITTEE OF BOARD OF TCL**

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13. Work effectively with the business to institutionalize best practices for risk management. Embed a **Culture** of informed risk-taking through training, communication and promotion of agreed risk frameworks.

# TATA CAPITAL LIMITED

## **CHARTER FOR THE INFORMATION TECHNOLOGY STRATEGY COMMITTEE OF THE BOARD OF DIRECTORS OF TATA CAPITAL LIMITED**

### **1. Applicability**

The Reserve Bank of India had issued 'Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices' on November 7, 2023 ("Master Directions") with a view to consolidate the instructions relating to Information Technology (IT) Governance and Controls, Business Continuity Management and Information Systems Audit.

In accordance with the requirements of the Master Directions, the Information Technology ("IT") Strategy Committee ("Committee") of the Board of Directors ("Board") of Tata Capital Limited ("Company") is constituted.

### **2. Objectives**

The Committee shall 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. The deliberations of the Committee may be placed before the Board. The Committee shall work in partnership with other Board Committees and Senior Management to provide inputs.

### **3. Composition**

- 3.1 The Committee shall have minimum three Members and comprise of the Managing Director & CEO and not less than 2 Non-Executive Directors, of which at least one shall be an Independent Director.
- 3.2 The Chairperson of the Committee shall be an Independent Director of the Company and have substantial IT expertise in managing/ guiding information technology initiatives and the Members of the Committee shall be technically competent.

Note:

1. "Substantial IT expertise" means the person has a minimum of seven years of experience in managing information systems and/or leading/ guiding technology/ cybersecurity initiatives/ projects. Such a member should also understand the business processes at a broader level and the impact of IT on such processes.
2. Technically competent means the ability to understand and evaluate information systems and associated IT/ cyber risks.

# TATA CAPITAL LIMITED

## 4. Meetings and Quorum

- 4.1 The Committee shall meet at least on a quarterly basis.
- 4.2 The quorum for the meetings of the Committee shall be either two members or one-third of the members of Committee, whichever is higher.
- 4.3 The Committee may invite such of the executives, as it considers appropriate, to be present at meetings of the Committee. However, the following shall be permanent invitees to Meetings of the Committee:
- a) Chief Technology Officer;
  - b) Chief Risk Officer;
  - c) Chief Operating Officer - IT , Digital, Operations & Marketing;
  - d) Chief Information Security Officer; and
  - e) Technology Head - Strategic Initiatives & IT Governance
- 4.4 The Company Secretary shall act as Secretary to the Committee. The Secretary will, *inter alia*, keep minutes proceedings of Meetings of the Committee and report the actions taken on matters arising out of earlier meetings.

## 5. Roles, Responsibilities and Powers

The Committee shall have the following roles, responsibilities and powers:

- a. To ensure that the organization has put an effective IT strategic planning process in place.
- b. To guide in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy of the organization towards accomplishment of its business objectives.
- c. To satisfy itself that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives and unambiguous responsibilities for each level in the organization.
- d. To ensure that the organization has put in place processes for assessing and managing IT and cybersecurity risks.
- e. To ensure that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the organization's IT maturity, digital depth, threat environment and industry standards and are utilized in a manner intended for meeting the stated objectives.
- f. To review, at least on annual basis, the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the Company (limited to

## **TATA CAPITAL LIMITED**

operational resilience focusing on People, Processes and Systems associated with the IT, IS, information/ cyber security controls and operations).

- g. To decide on representation from business and IT functions, etc., into the Information Security Committee (“ISC”) and oversee the activities of ISC at least on quarterly basis.
- h. To review cyber security risks/ arrangements/ preparedness of the organization at least on a quarterly basis.
- i. Review the assessment of IT capacity requirements and measures taken to address the issues.
- j. To approve documented standards and procedures relating to access to information assets.
- k. To approve the minimum Recovery Time Objective (RTO).
- l. Approve the policy providing guidance across IT Outsourcing Lifecycle for all existing and prospective IT outsourcing arrangements to evaluate risk and materiality of outsourcing arrangements, including outsourcing within the Group.
- m. Set up a suitable administrative framework of Senior Management for implementation, oversight, and assurance functions for IT Outsourcing policy.
- n. Evaluate and provide exception approval pertaining to conflict-of-interest cases.
- o. Adoption of any new methods as well as identification of the Cloud Service Provider (CSP) shall be approved by the respective IT Strategy Committee.
- p. To review the IT / Information Systems Audit (“IS”) report.
- q. To do any or all things that may be done by the Board of Directors in accordance with the RBI IT Directions, as amended from time to time.
- r. To do such other things related to IT as may be recommended by the Board of Directors to the Committee.

### **6. Reporting**

The Committee will periodically report to the Board on various matters that have been referred to the Committee.

### **7. Compensation**

Sitting Fees for the Meetings of the Committee shall be paid to the Independent Directors and the Non-Executive Directors (other than Managing Director or employees of Tata Capital Limited and its subsidiaries) as approved by the Board of Directors of the Company for any Committee constituted by the Board. Sitting fees shall not be paid to the Permanent Invitees for the Committee Meetings.

### **8. Review of Committee Charter**

## **TATA CAPITAL LIMITED**

The adequacy of this Charter shall be reviewed and reassessed by the Board of Directors from time to time, as it may seem appropriate (based on changes that may be brought about to the regulatory framework or otherwise).

### **9. Compliance with the Charter**

The Chairperson of the Committee shall confirm annually to the Board that all responsibilities outlined in this Charter have been carried out.

### **10. Committee Evaluation**

The Committee shall undergo an annual self-evaluation of its performance and report the result to the Board. Indicative areas for evaluation as part of this exercise include:

- Degree of fulfilment of key responsibilities,
- Adequacy of Committee composition,
- Effectiveness of meetings,
- Committee dynamics,
- Quality of relationship of the Committee with the Board and the Management.

# TATA CAPITAL LIMITED

## CHARTER FOR THE INVESTMENT CREDIT COMMITTEE OF THE BOARD OF TATA CAPITAL LIMITED

### 1. Objective

The Investment Credit Committee (“ICC”) of the Board of Directors (“Board”) of Tata Capital Limited (“Company”) shall approve financing and investment proposals from the various business verticals of the Company.

### 2. Composition

The ICC shall comprise of the Managing Director & CEO and not less than two Non-Executive Directors, of which atleast one shall be an Independent Director.

### 3. Meetings and Quorum

3.1 The ICC shall meet as may be required.

3.2 The quorum for Meetings of the ICC shall be one third of the members of the Committee or two members, whichever is higher, including at least one Independent Director.

3.3 The Company Secretary shall act as Secretary to the ICC. The Secretary will, *inter alia* keep minutes of the proceedings and report on actions taken in the subsequent meeting.

### 4. Role and Powers

The ICC shall have the powers to:

- To approve / modify / review financing / credit proposals or such other proposals, as per the authority granted by the Board to the ICC, from time to time, in terms of the Board approved 'Delegation of Authority Matrix' or any other Board approved Policies.
- To approve investments in Debentures / Commercial Paper, Equity Shares, Preference Shares and other instruments, in terms of the Board approved Investment Policies.
- To approve the transactions pertaining to lending activities with any related party in terms of the Board approved Framework for Related Party Transactions and to assess the ordinary course of business and arm's length pricing of the related party transactions that are being approved by the ICC.
- To periodically review proposals approved by Management Credit Committee.
- To carry out such other functions as may be delegated by the Board, from time to time.

### 5. Reporting

The ICC will periodically report to the Board on various matters that have been referred to the Committee.

# TATA CAPITAL LIMITED

## **6. Compensation**

The Members of the Committee shall receive such sitting fees, if any, for their services as Committee Members, as may be determined by the Board at its sole discretion.

## **7. Review of Committee Charter**

The adequacy of this Charter shall be reviewed and reassessed by the Board of Directors from time to time, as it may seem appropriate (based on changes that may be brought about due to the regulatory framework or otherwise).

## **8. Compliance with the Charter**

The Chairperson of the Committee shall confirm annually to the Board that all responsibilities outlined in this Charter have been carried out.

## **9. Committee Evaluation**

The Committee shall undergo an annual self-evaluation of its performance and report the result to the Board. Indicative areas for evaluation as part of this exercise include:

- Degree of fulfilment of key responsibilities,
- Adequacy of Committee composition,
- Effectiveness of meetings,
- Committee dynamics,
- Quality of relationship of the Committee with the Board and the Management.



# TATA CAPITAL LIMITED

## CHARTER FOR THE CUSTOMER SERVICE COMMITTEE OF THE BOARD OF TATA CAPITAL LIMITED

### 1. Objective

The Customer Service Committee (“CSC”) of the Board of Directors (“Board”) of Tata Capital Limited (“Company”) is constituted to bring about ongoing improvements in the quality of customer service and for effective monitoring of customer service provided by the Company.

### 2. Composition

The CSC shall comprise of the Managing Director & CEO and not less than two Non-Executive Directors, of which atleast one shall be an Independent Director.

### 3. Meetings and Quorum

3.1 The CSC shall meet atleast twice in a year.

3.2 The quorum for Meetings of the CSC shall be one third of the members of the Committee or two members, whichever is higher, including at least one Independent Director.

3.3 The Company Secretary shall act as Secretary to the CSC. The Secretary will, *inter alia* keep minutes of the proceedings and report on actions taken in the subsequent meeting.

### 4. Terms of Reference

- i. To monitor and bring about continuous improvements in the quality of services rendered to the customers and to ensure implementation of the guidelines issued by the regulatory authorities;
- ii. To oversee the functioning of the Service Council of the Company.
- iii. To review matters pertaining to customer service, grievance redressal, fair practices, recovery mechanism, outsourcing and other customer service related matters;
- iv. To review and monitor the steps and remedial actions taken by the Company to reduce the customer complaints;
- v. To review the compliances under the Fair Practices Code of the Company on a half yearly basis;
- vi. To review and recommend to the Board all customer service related policies as required by the regulatory authorities;
- vii. To assess the performance of the Internal Ombudsman of the Company.

# TATA CAPITAL LIMITED

## 5. Compensation

The Members of the Committee shall receive such sitting fees, if any, for their services as Committee Members, as may be determined by the Board at its sole discretion.

## 6. Review of Committee Charter

The adequacy of this Charter shall be reviewed and reassessed by the Board of Directors from time to time, as it may seem appropriate (based on changes that may be brought about due to the regulatory framework or otherwise).

## 7. Compliance with the Charter

The Chairperson of the Committee shall confirm annually to the Board that all responsibilities outlined in this Charter have been carried out.

## 8. Committee Evaluation

The Committee shall undergo an annual self-evaluation of its performance and report the result to the Board. Indicative areas for evaluation as part of this exercise include:

- Degree of fulfilment of key responsibilities,
- Adequacy of Committee composition,
- Effectiveness of meetings,
- Committee dynamics,
- Quality of relationship of the Committee with the Board and the Management.