

**DETAILS OF BOARD COMMITTEES AND TERMS OF REFERENCE AS REVIEWED AND APPROVED BY THE BOARD AT ITS MEETING HELD ON 05.12.2017**

**BOARD COMMITTEES**

The Board has constituted various Committees of Directors to take informed decisions in the best interest of the Bank within the framework of delegated authority, and make specific recommendations to the Board on matters in their areas or purview. These Committees will monitor the activities falling within their terms of reference. The Constitution of various Committees and the terms of reference of the Committees are made as per the regulatory requirements of RBI, Banking Regulation Act, 1949 Companies Act and Listing Agreement. The terms of reference of the Committees may also include all the amendments made in the regulatory laws from time to time.

**A. Nominations, Remuneration, Ethics and Compensation Committee of the Board**

The Nominations, Remuneration, Ethics and Compensation Committee shall function, taking note of the statutory provisions of SEBI, Companies Act, 2013 and RBI guidelines regarding the role and functions of such committee.

|  |   |
|--|---|
| <b>Membership</b>                        | The constitution of the Committee shall consist of the following members:<br><br>Minimum Three Non-Executive/ Independent Directors.  |
| <b>Chairperson</b>                       | The Chairperson of the Committee shall be an Independent Director.<br><br>Chairperson of the Board, whether executive or non-executive, may be appointed as a member of the Nomination, Remuneration, Ethics and Compensation Committee but shall not chair such Committee. |
| <b>Invitees</b>                          | The following officials may be invitees to the Committee meetings:<br>1. MD & CEO<br>2. Executive Directors   |
| <b>Frequency</b>                         | As and when required  |
| <b>Quorum</b>                            | Minimum two members of the Committee  |
| <b>Next review of Terms of Reference</b> | Yearly once or as and when required   |

**Terms of Reference/ Roles and Responsibilities of the Committee are:**

1. recommending to the Board for its consideration and approval on the size and composition of the Board taking into account the available and needed diversity and balance in terms of experience, knowledge, skills, and judgment of the Directors;
2. reviewing, from time to time, possible candidates for current or potential Board vacancies, including Directors who are to retire and are eligible for reappointment or re-election and other persons who may be recommended by the Chairman or the MD&CEO or other Directors, shareholders or others;
3. recommending to the Board, candidates for election (including re-election) or appointment (including reappointment) to the Board.

4. carrying out evaluation of every director's performance.
5. deciding on the matter of 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.
6. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal; formulation of the criteria for determining qualifications, positive attributes and independence of a director;
7. devising a policy on diversity of board of directors;
8. recommending to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;

**The Committee shall ensure the following while formulating the policy on the aforesaid matters:**

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors, key managerial personnel and senior management of the quality required to run the Bank successfully;
  - b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
  - c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Bank and its goals.
9. Formulating and determining the Bank's policies on remuneration packages payable to the Directors and key managerial personnel including performance/achievement bonus, perquisites, retiral, sitting fees.
  10. Considering grant of Stock Options to employees.
  11. Reviewing the composition of the existing Committees of the Board.
  12. Formulation of criteria for performance evaluation of Independent Directors and the Board;
  13. Validation of 'fit and proper' status of all Directors on the Board of the Bank in terms of the Guidelines issued by the RBI or other regulatory authorities;
  14. Developing and recommending to the Board the Corporate Governance guidelines applicable to the Bank for incorporating best practices from time to time;

**Other Matters**

1. The Chairperson of the Nomination, Remuneration, Ethics and Compensation Committee may be present at the Annual General Meeting, to answer the shareholders' queries; However, it shall be up to the chairperson to decide who shall answer the queries.

2. The Company Secretary, who shall also act as the secretary to the Committee, shall ensure that all appointments or elections of Directors to the Board are properly made, and shall obtain all necessary information from the Directors or candidates recommended by the Committee to ensure that they are not disqualified to act as Directors of the Bank under any statute or regulatory directives or guidelines, and that by appointing or electing them as Directors the Bank would meet its statutory and regulatory obligations and those arising from listing requirements of stock exchanges on which the Bank's shares are listed.
3. Perform any other function or duty as stipulated by the Companies Act, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and any other regulatory authority or under any applicable laws as may be prescribed from time to time.
4. The Chairman, the MD&CEO and/or other Executive Directors shall not participate in discussions by the Board on matters relating to his/their compensation package or any components thereof.

**B. Audit Committee**

The Audit Committee shall function, taking note of the statutory provisions of SEBI, Companies Act, 2013 and RBI guidelines regarding the role and functions of such committee.

|  |  |
|--|--|
| <b>Membership</b>                        | The constitution of the Committee shall consist of the following members:<br><br>Minimum Three Directors. Two-thirds of the members shall be independent directors. All members of audit committee shall be financially literate and at least one member shall have accounting or related financial management expertise. Majority of members including its Chairperson shall be persons with ability to read and understand, the financial statement.                                       |
| <b>Chairperson</b>                       | The Chairperson of the Committee shall be an Independent Director.   |
| <b>Invitees</b>                          | The following persons may be invitees to the Committee meetings:<br><br><ol style="list-style-type: none"> <li>1. MD &amp; CEO</li> <li>2. Executive Directors</li> <li>3. Head of Finance function</li> <li>4. Head of Internal Audit</li> <li>5. Head of Compliance</li> <li>6. Representative(s) of the Bank's statutory auditors,</li> <li>7. Financial consultant or other expert</li> </ol><br>Other members of senior management shall be invited based on the agenda of the meeting. |
| <b>Frequency</b>                         | At least four times in a year and not more than one hundred and twenty days shall elapse between two meetings.   |
| <b>Quorum</b>                            | Shall either be two members or one third of the members of the committee, whichever is greater, with at least two independent directors.   |
| <b>Next review of Terms of Reference</b> | Yearly once or as and when required  |

## **Terms of Reference/ Roles and Responsibilities of the Committee are:**

1. Review the company's financial and risk-management policies, and, where necessary, recommend changes for the Board's approval.
2. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
3. Review periodically the adequacy of internal control systems (including the asset-liability management and risk-assessment and management systems) with the management and external and internal auditors, assure itself that the systems are being effectively observed and monitored, and, where necessary, approve changes or recommend changes for the Board's approval;
4. Review the adequacy of the internal audit function, including -
  - a. monitoring and reviewing the effectiveness of the Internal audit function;
  - b. the structure of the internal audit department, staffing, and the suitability and seniority of the official heading it, reporting structure coverage, and the frequency of internal audit, and, where necessary, approve changes;
  - c. approving internal audit plan, scope and budget;
  - d. reviewing and discussing internal audit reports;
  - e. ensuring internal audit function maintains open communication with senior management, external auditors, the supervisory authority, and the audit committee;
  - f. assessing the performance of the head of the internal audit function; and
  - g. approving / recommending to the Board for its approval, the appointment, re-appointment or removal of the head of the internal audit function and the key internal auditors;
5. Discussion with internal auditors of any significant findings and follow up there on.
6. Discussion with the Head of Internal Audit in a private session, in the absence of the management, on issues of interest.
7. Reviewing the findings of any internal investigations by the internal auditors 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
8. Review and have oversight of the Bank's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient, and credible, and present a true and fair view of the state of affairs and of the profit or loss of the Bank for the relevant financial year or other period as the case may be;
9. Recommend to the full Board for shareholders' approval, the appointment, reappointment, removal, or replacement and terms of appointment of auditors, and the fee payable to them for the audit, taking into consideration any relationship between the auditors and the Bank that may impact on the independence of the auditors in carrying out the audit.
10. Approve the terms of engagement of the services of the external/statutory auditors for rendering any other professional services to the Bank and the fee therefore;

11. Discuss with the external auditors, before they commence the audit, the nature and scope of the audit, and ensure coordination where more than one audit firm is employed.
12. Reviewing and examine with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - i) any changes in accounting policies and practices
  - ii) major accounting entries involving estimates based on the exercise of judgment by management
  - iii) significant adjustments made in the financial statements arising out of audit findings;
  - iv) compliance with the applicable accounting standards;
  - v) compliance with listing and other legal requirements relating to financial statements, and RBI guidelines and directives, concerning financial policies and statements;
  - vi) to review the company's statement on internal control systems prior to endorsement by the Board
  - vii) the going-concern assumption;
  - viii) disclosure of any related-party transactions, i.e., transactions of the Bank with the Directors, senior executives, their relatives, or associated concerns, that may potentially conflict with the Bank's interests at large; and
  - ix) modified opinion(s) in the draft audit report;
  - x) matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
13. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval
14. Review with the external auditors, without the presence of the executive directors and Bank officials, and summarize their conclusion (in writing) at a full Board in the presence of the external auditors and without the presence of the management (Executive Directors, Bank Officials etc.)
  - i) The auditors' report on the annual, half-yearly, and quarterly financial statements,
  - ii) Their assessment of the internal control and reporting systems and procedures, the quality of the accounting principles applied and significant judgments affecting the statements, and the Bank's compliance with statutory and regulatory requirements, and
  - iii) The auditors' long-form audit report and management letter and the management's response, and
  - iv) Any concerns of the auditors with respect to the said systems and procedures, the financial statements, any aspect of compliance, or any other matter arising from or related to the audit;
15. Discuss with the management the auditors' report and assessment, their qualifications and concerns, if any, and the management's response to the auditors' management letter and long-form audit report;
16. Review with the management, and if necessary with the external auditors, any inspection or other report of RBI on the Bank or other communication from RBI on the audit, internal controls, financial reporting, or other aspects of the Bank falling within the remit of the Committee, and the management's response thereto;

17. To review and oversight the functioning of the Whistle Blower mechanism.
18. Approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
19. Approval or any subsequent modification of transactions of the Bank with related parties;
20. Valuation of undertakings or assets of the Bank, wherever it is necessary;
21. Evaluation of internal financial controls and risk management systems.
22. Monitoring the end use of funds raised through public offers and related matters.
23. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
24. Scrutiny of inter-corporate loans and investments, if any;
25. To consider and approve/grant omnibus approval for certain Related Party Transactions;
26. Perform any other function or duty as stipulated by the Companies Act, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and any other regulatory authority or under any applicable laws as may be prescribed from time to time.
27. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
28. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
29. 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 utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
30. Review arrangements by which staff of the bank may confidentially raise concerns about possible improprieties in matters of financial reporting.
31. The Audit Committee of the Board shall:
  - i) ensure that senior management is taking necessary corrective actions to address the findings and recommendations of internal auditors and external auditors in a timely manner;
  - ii) address control weaknesses, non-compliance with policies, laws and regulations and other problems identified by internal auditors and external auditors, and
  - iii) ensure that deficiencies identified by supervisory authorities related to the internal audit function are remedied within an appropriate time frame and that progress of necessary corrective actions are reported to the board of directors.

**Powers of Audit Committee:**

The Audit Committee shall have the authority –

- a) to call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board.
- b) to discuss any related issues with the internal and statutory auditors and the management of the company.
- c) to investigate into any matter in relation to the items referred to it by the Board.
- d) to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice.
- e) to have full access to information contained in the records of the Bank

### **Review of information by Audit Committee as per LODR, Regulations, 2015**

The Audit Committee shall mandatorily review the following information:

- i. Management discussion and analysis of financial condition and results of operations;
- ii. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- iii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- iv. Internal audit reports relating to internal control weaknesses; and
- v. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee
- vi. statement of deviations:
  - a) quarterly statement of deviation(s) in the use of proceeds of public / rights / preferential issue from the objects stated in the offer document or explanatory statement to the notice for the general meeting, as applicable; (if any)
  - b) quarterly statement indicating category-wise variation (capital expenditure, sales and marketing, working capital etc.) between projected utilization of funds in the offer document for public / rights / preferential issue or explanatory statement of to the notice for the general meeting, as applicable and the actual utilization of funds;
  - c) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of issue of securities of any nature. (if any)
  - d) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of issue of securities of any nature. (if any)
- vii. Review the financial statements of unlisted subsidiary, in particular, the investments made by the subsidiary.

### **Other matters**

1. In carrying out its functions as aforesaid, the Committee shall have full access to information contained in the Bank's records and may seek information from any employee of the Bank, or, if considered necessary, obtain outside legal or other professional advice, or discuss with outsiders having the relevant expertise, and thereafter place the same to the Board.
2. The chairperson of the committee shall be present at Annual general meeting to answer shareholder queries.
3. The Company Secretary shall act as the secretary to the Audit committee.
4. The minutes of the Committee meetings and decisions taken by the Committee shall be promptly submitted to the Board.
5. The Auditors and key managerial personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote.

**C. Investor Grievance, Share Transfer Committee and Stakeholder Relationship Committee**

The Investor Grievance, Share Transfer Committee and Stakeholders Relationship Committee should specifically look into the mechanism of redressal of grievances of shareholders, debenture holders and other security holders.

|  |  |
|--|--|
| <b>Membership</b>                        | The constitution of the Committee shall consist of the following members:<br><br>Minimum Three Directors. The Committee shall consist of at least two non-executive/Independent Directors and MD&CEO/Executive Directors.  |
| <b>Chairperson</b>                       | The Chairperson of this committee shall be a Non-Executive/Independent Director.   |
| <b>Invitees</b>                          | The following persons may be invitees to the Committee meetings:<br><br>1. Executive Directors who are not Committee member<br><br>Other members of senior management shall be invited based on the agenda of the meeting. |
| <b>Frequency</b>                         | Fortnightly or as and when required  |
| <b>Quorum</b>                            | Minimum two members of the Committee   |
| <b>Next review of Terms of Reference</b> | Yearly once or as and when required  |

**Terms of Reference/ Roles and Responsibilities of the Committee are:**

1. Review, where necessary, complaints received from shareholders or others regarding transfer of shares, non-receipt of declared dividends, non-receipt of annual accounts or reports, or other matters relating to shareholding in the Bank, and any action taken by the Bank on such complaints;
2. Initiate such (further) action on the complaints as is considered necessary or desirable by way of redressal or to prevent similar complaints arising in the future; and
3. Approve or reject applications for transfer/transmission of shares referred to the Committee by the Bank's Registrar and Share Transfer Agent in terms of such criteria as may be determined by the Committee and conveyed to the Agent.
4. To oversee and review all matters connected with transfers, transmissions, dematerialization, rematerialisation, splitting and consolidation of securities issued by the Bank, issue of duplicate share certificates;
5. To oversee the performance of the Registrar and Transfer Agent of the Bank
6. Recommends measures for overall improvement in the quality of investor services;

**Other matters**

The chairperson of the committee or, in his absence, any other member of the committee authorised by him in this behalf shall attend the general meetings of the Bank.

**D. Credit Committee & Investment and Raising Capital Committee**

The Credit, Investment and Capital Raising Committee shall function and consider proposals for the approval, renewal, or modification of various types of funded and non-funded credit facilities, within such authority as delegated to it by the Board from time to time,



|  |  |
|--|--|
| <b>Membership</b>                        | The constitution of the Committee shall consist of the following members:<br><br>Minimum Three Directors. The Committee shall consist of at least two non-executive/Independent Directors and MD&CEO/Executive Directors.  |
| <b>Chairperson</b>                       | The Chairperson of this committee shall be an Independent director.  |
| <b>Invitees</b>                          | The following officials may be invitees to the Committee meetings:<br><ol style="list-style-type: none"> <li>1. Executive Directors who are not Committee member</li> <li>2. Chief Risk Officer (CRO)</li> </ol> Other members of senior management shall be invited based on the agenda of the meeting. |
| <b>Frequency</b>                         | The Committee shall meet atleast once in two months/as and when required   |
| <b>Quorum</b>                            | Minimum two members of the Committee.  |
| <b>Next review of Terms of Reference</b> | Yearly once or as and when required  |

**Terms of Reference/ Roles and Responsibilities of the Committee are:**

1. Consider proposals for approval, renewal, or modification of various types of funded and non-funded credit facilities to clients within such authority as delegated to it by the Board from time to time,
2. Monitor the credit and investment exposures of the Bank, review the adequacy of the credit and investment risk management processes and policies, internal control systems and compliance of statutory, regulatory and other applicable norms,
3. Periodically review the large corporate loans and advances appearing in SMA lists,
4. Take note of the details of credit facilities sanctioned by MD level committee and call for more particulars/comments/clarifications, if found necessary,
5. Take note of the details of compromise settlements approved by the ED and MD level committees and call for more particulars/comments/clarifications, if necessary.
6. Periodically review Non Performing Assets of large value (Rs.5 crore and above) and also a pool of NPAs in various categories (substandard, doubtful and loss).
7. Committee has the power to approve compromise proposals as per delegation in the NPA management policy
8. Committee shall recommend the compromise proposals beyond their power to the Board of Directors for approval

**E. Risk Management Committee**

The Risk Management Committee of the Board shall put in place specific policies and procedures for managing enterprise wide risk management of the Bank based on the regulatory guidance.

|                   |  |
|-------------------|--|
| <b>Membership</b> | The constitution of the Committee shall consist of the following members:<br><br>Minimum Three Directors. The Committee shall consist of at least two non-executive/Independent Directors and MD&CEO/Executive Directors |
|-------------------|--|

|  |   |
|--|---|
| <b>Chairperson</b>                       | The Chairperson of this committee shall be an Independent director.   |
| <b>Invitees</b>                          | The following officials may be invitees to the Committee meetings: <ol style="list-style-type: none"> <li>1. Executive Directors who are not Committee member</li> <li>2. Chief Risk Officer</li> </ol> Other members of senior management shall be invited based on the agenda of the meeting. |
| <b>Frequency</b>                         | Quarterly once or as and when required  |
| <b>Quorum</b>                            | Minimum two members of the Committee  |
| <b>Next review of Terms of Reference</b> | Yearly once or as and when required   |

**Terms of Reference/ Roles and Responsibilities of the Committee are:**

Risk Management Committee shall approve the policy, strategy and methods for risk management, by evaluating the overall risks faced by the Bank and determining the acceptable level of risks, its management and control in the best interest of the Bank. The Committee shall oversee all risk management functions in the Bank and undertake the following functions.

- a) Approve the policies and strategies for implementing bank-wide integrated risk management system, for addressing various risks faced by the Bank.
- b) Oversee functions of Credit Risk Management Committee (CRMC), Market Risk Management Committee (MRMC also known as Asset Liability Management Committee - ALCO), Operational Risk Management Committee (ORMC) and Information Security Committee (ISC).
- c) Set policies and guidelines for measurement, management and reporting of credit risk, market risk and operational risk.
- d) Set risk mitigation and stop-loss parameters in respect of all the three risks.
- e) Ensure management processes (including people, systems, operations, limits and controls) for implementing risk management systems.
- f) Ensure robustness and effectiveness of financial / rating models and their appraisal systems for assessing various risks faced by the Bank.
- g) Reviewing and approving the Internal Capital Adequacy Assessment Process.
- h) Approval / Review of credit rating process, fixation of exposure ceilings for various types of exposures, geographies, sectors, industries etc and based on internal / external rating, borrower category/ groups etc.
- i) Ensure availability of qualified and competent officers and risk managers in the Integrated Risk Management Department for ensuring effectiveness of risk management systems in the Bank.
- j) Decide/approve adoption of technology/appropriate and adequate MIS system needed for risk management.
- k) Reinforce the culture and awareness of risk management throughout the organization that would attach high priority on effective risk management and adherence to sound internal controls.
- l) Ensure adequate coverage of internal audit to satisfy effective implementation of policies and procedures.

**Powers of the Risk Management Committee (RMC)**

RMC shall exercise the following powers, subject to subsequent approval by the Board.

- a) Approval/review of the policy and strategy for integrated risk management covering credit, market and operational risks.
- b) Approval of the risk limits of the Bank, and its periodic review as and when needed.
- c) Approve standards / delegation for credit dispensation.
- d) Approval of the risk categories under Credit Risk Assessment (CRA) system and classification as acceptable and unacceptable category and periodic changes needed to such classification.
- e) Approval of systems and tools for management of all the three categories of risks.
- f) Approving norms for Loan Review Mechanism (LRM), level of dependence on the system and all related procedures
- g) Analysing credit rating migration studies of large value exposures to assess quality and concentration of credit exposures.
- h) Approving norms/ceilings for maturity profile and mix of the incremental assets and liabilities.
- i) Fixing of tolerance levels for Liquidity risk monitoring, interest rate sensitivity/EaR, trigger points for realignment of assets/liabilities
- j) Review and approve the functions of the CRMC, ALCO, ORMC and ISC from time to time.
- k) Approving policy for interest rate view/funding/ pricing of products etc of the Bank.
- l) Ensuring capital adequacy management with due regard to various risks impacting the balance sheet.
- m) Approving reviews on assessment, monitoring and controlling of non-quantifiable risks like strategic risk, reputation risk etc.

**F. Customer Service, Marketing Strategy and Digital Banking Committee**

Matters relating to customer service, marketing strategy and the progress on Digital Banking should be deliberated by the Board to ensure that the Bank has a clear strategy on these elements and is progressing satisfactorily in implementation of the strategy. In order to deliver on the Board’s responsibilities in this respect, a Committee has been constituted at the Board level to cover all 3 elements and forms part of the existing Customer Service and Marketing Strategy Committee of the Board. It is observed that there is close linkage between the 3 elements of marketing, customer service and Digital Banking, and hence, a combined Committee would enable all 3 elements to be reviewed in conjunction with each other.

|                    |  |
|--------------------|--|
| <b>Membership</b>  | <p>The constitution of the Committee shall consist of the following members:</p> <p>Minimum Three Directors. The Committee shall consist of at least two non-executive/Independent Directors and MD&amp;CEO/Executive Directors.</p> <p>The members of the Committee should have exposure to various industries, thereby being able to provide a wide perspective on customer service, marketing &amp; Digital Banking</p> |
| <b>Chairperson</b> | <p>The Chairperson of the Committee shall be an Independent Director.</p>  |
| <b>Invitees</b>    | <p>The following officials may be invitees to the Committee meetings:</p> <ul style="list-style-type: none"> <li>9. Executive Directors who are not Committee member</li> <li>10. Chief Operating Officer</li> <li>11. Head of Marketing</li> <li>12. Head of Service Quality</li> <li>13. Head of Digital Banking</li> </ul>  |

|  |   |
|--|---|
|  | Other members of senior management shall be invited based on the agenda of the meeting. Where appropriate and required, customers may also be invited to attend the Committee meeting |
| <b>Frequency</b>                         | At least one meeting shall be held half yearly  |
| <b>Quorum</b>                            | Minimum two members of the Committee  |
| <b>Next review of Terms of Reference</b> | Yearly or as and when required  |

**Terms of Reference/ Roles and Responsibilities of the Committee are:**

In respect of Customer Service, the key roles & responsibilities of the Committee are provided below:

1. Approving the various policies that relate to customer service ; examples thereof include and are not limited to :
  - a. Comprehensive Deposit Policy
  - b. Treatment of death of a depositor for operations in the account
  - c. Grievance Handling process
  - d. Collection of cheques
2. Reviewing metrics and indicators that provide information on the state of customer service in the Bank; providing direction to the management of the Bank on actions to be taken to improve the metrics
3. Reviewing the actions taken/ being taken by the Bank to standardize the delivery of customer experience across all branches
4. Reviewing results of the surveys conducted that provide quantitative and qualitative information on the state of customer experience
5. Providing inputs on the products introduced by the Bank with a view to ensure suitability and appropriateness
6. Monitoring the implementation of the Banking Ombudsman Scheme with particular reference to:
  - a. Reviewing all the awards against the Bank with a focus on identifying issues of systemic deficiencies and the Bank's plan to address these deficiencies
  - b. Reviewing all awards that remain unimplemented after 3 months from the date of the award with the reasons thereof; to report to the Board such delays in implementation without valid reasons and for initiating remedial action
7. Review, on an overall basis, the customer service aspects in the Bank on the basis of the detailed memorandum submitted in this regard and report to the Board of Directors thereafter; this is done once every six months and based on the review, the Committee will direct the Bank to initiate prompt corrective action wherever service quality / skills gaps have been noticed
8. Monitoring the activities of the Standing Committee on Customer Service (executive level committee) on a quarterly basis.

In respect of the Marketing functions of the Bank, the key roles & responsibilities of the Committee are provided below:

1. Reviewing the Bank's marketing strategy; providing direction on areas of focus
2. Providing direction on the communication strategy and media focus
3. Reviewing the Bank's progress in implementing the marketing strategy

In respect of Digital Banking, the key roles & responsibilities of the Committee are provided below:

1. Reviewing the Bank's Digital Banking strategy; providing direction on areas of focus
2. Reviewing the progress made on the metrics relating to Digital Banking; these metrics cover performance metrics as determined by the Board of Directors (as part of the annual budget) and also cover metrics that are determined by the Government of India from time to time and to review the customer service rendered on digital platform from time to time.

**G. Special Committee of the Board for monitoring and follow up of cases of frauds (SCBF)**

The Committee may be constituted with five members of the Board of Directors who will include, MD& CEO, two members from Audit Committee of Board, and two members from Board excluding RBI nominee.

|  |   |
|--|---|
| <b>Membership</b>                        | The constitution of the Committee shall consist of the following members:<br><br>Five members of the Board of Directors who will include, two members from Audit Committee of the Board, two members from Board and MD& CEO.  |
| <b>Chairperson</b>                       | Managing Director of the Bank shall be the Chairperson the Committee  |
| <b>Invitees</b>                          | The following officials may be invitees to the Committee meetings:<br><br>1. Executive Directors who are not Committee members<br>2. Chief Vigilance Officer<br>3. Chief Operating Officer<br>Other members of senior management shall be invited based on the agenda of the meeting. |
| <b>Frequency</b>                         | As and when cases of fraud of Rs.100L and above occur or as and when required   |
| <b>Quorum</b>                            | Minimum two members of the Committee  |
| <b>Next review of Terms of Reference</b> | Yearly or as and when required  |

**Terms of Reference/ Roles and Responsibilities of the Committee are:**

The major functions of the Committee would be to monitor and review all frauds of Rs 100 Lakh and above so as to:

- i. Identify the systemic lacunae if any that facilitated perpetration of the fraud and put in place measures to plug the same.
- ii. Identify the reasons for delay in detection, if any, reporting to top management of the bank and RBI.
- iii. Monitor progress of CBI/Police investigation and recovery position.
- iv. Ensure that staff accountability is examined at all levels in all the cases of frauds and staff side action, if required, is completed quickly without loss of time.
- v. Review the efficacy of the remedial action taken to prevent recurrence of frauds, such as strengthening of internal controls.
- vi. Put in place other measures as may be considered relevant to strengthen preventive measures against frauds.

All the frauds involving an amount of Rs 100 lakh and above should be monitored and reviewed by the Committee of the Board. The periodicity of the meetings of the Committee may be decided according to the number of cases involved. In addition, the Committee should meet and review as and when a fraud involving an amount of Rs.100 lakh and above comes to light. Information of frauds of Rs.100L and above shall be sent to the members of SCBF through e-mail immediately on detection followed by placing report before the Committee in its next meeting.

#### **H. Committee for Human Resources Policy**

|  |   |
|--|---|
| <b>Membership</b>                        | The constitution of the Committee shall consist of the following members:<br><br>Minimum Three Directors. The Committee shall consist of at least two non-executive/Independent Directors and MD&CEO/Executive Directors  |
| <b>Chairperson</b>                       | Chairperson of the Committee shall be an Independent Director   |
| <b>Invitees</b>                          | The following officials may be invitees to the Committee meetings: <ol style="list-style-type: none"> <li>1. Executive Directors who are not Committee members</li> <li>2. HR Head</li> <li>3. Chief Operating Officer</li> </ol> Other members of senior management shall be invited based on the agenda of the meeting. |
| <b>Frequency</b>                         | As and when required  |
| <b>Quorum</b>                            | Minimum two members of the Committee  |
| <b>Next review of Terms of Reference</b> | Yearly or as and when required  |

#### **Terms of Reference/ Roles and Responsibilities of the Committee are:**

1. To Review HR Strategy aligning with business strategy of the Bank
2. Periodic review of existing HR policy of the Bank.
3. To review productivity levels of employees benchmarking with peers in the industry

4. To review compensation policy of the Bank
5. To review outsourcing Policy of the Bank
6. To review Learning Initiatives
7. To review Skill gaps and Talent pool creation
8. To review Funding Superannuation Policy
9. To review periodic HR Plans and Activities

**I. Corporate Social Responsibility Committee**

Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

|  |   |
|--|---|
| <b>Membership</b>                        | The constitution of the Committee shall consist of the following members:<br>Minimum Three Directors. The Committee shall consist of at least two non-executive/Independent Directors and MD&CEO/Executive Directors.   |
| <b>Chairperson</b>                       | Chairperson of the Committee shall be an Independent Director   |
| <b>Invitees</b>                          | The following officials may be invitees to the Committee meetings:<br>1. Executive Directors who are not Committee members<br>2. Chief Operating Officer<br>3. Head of HR<br>4. Head of CSR Cell<br><br>Other members of senior management shall be invited based on the agenda of the meeting. |
| <b>Frequency</b>                         | As and when required  |
| <b>Quorum</b>                            | Minimum two members of the Committee  |
| <b>Next review of Terms of Reference</b> | Yearly or as and when required  |

**Terms of Reference/ Roles and Responsibilities of the Committee are:**

The CSR Committee shall:

1. Formulate and recommend to the Board for approval, the Corporate Social Responsibility Policy which shall indicate the activity or activities to be undertaken by the Bank as specified in schedule VII of the Companies Act, 2013 ;
2. Guide and monitor the activities of the Bank in the area of CSR such that the spends are in line with the activities stipulated in the CSR Policy
3. Provide inputs, on an ongoing basis, to the formulation of strategic objectives and tactical plans that would help ensure the Bank is able to fulfill its corporate social responsibilities in a responsible and effective manner

## **J. Information Technology and Operations Committee**

The IT and Operations Committee of the Board shall advise on the strategic direction of the Technology and Operations functions within the Bank.

|  |   |
|--|---|
| <b>Membership</b>                        | <p>The constitution of the Committee shall consist of the following members:</p> <p>Minimum Three Directors. The Committee shall consist of at least two non-executive/Independent Directors and MD&amp;CEO/Executive Directors.</p> <p>The members of the Committee should be technically competent. At least one member should have substantial IT expertise in managing technology and in understanding the key aspects of banking operations.</p>         |
| <b>Chairperson</b>                       | <p>The Chairperson of the Committee shall be an Independent Director.</p>   |
| <b>Invitees</b>                          | <p>The following officials may be invitees to the Committee meetings:</p> <ol style="list-style-type: none"><li>1. Executive Directors who are not Committee members</li><li>2. Chief Operating Officer</li><li>3. Head of Technology</li><li>4. Head of Operations</li><li>5. Chief Information Security Officer (CISO)</li><li>6. Internal Auditor</li></ol> <p>Other members of senior management shall be invited based on the agenda of the meeting.</p> |
| <b>Frequency</b>                         | <p>At least 4 meetings shall be held every financial year; not more than 120 days shall elapse between consecutive meetings.</p>  |
| <b>Quorum</b>                            | <p>Minimum two members of the Committee</p>   |
| <b>Next review of Terms of Reference</b> | <p>Yearly or as and when required</p>   |

### **Terms of Reference/ Roles and Responsibilities of the Committee are**

In respect of the Technology functions of the Bank, the key roles & responsibilities of the Committee are provided below:

1. Approving IT strategy and policy documents and reviewing the same from time to time
2. Ensuring that the management has put an effective strategic planning process in place
3. Ensuring that the business strategy is indeed aligned with IT strategy
4. Ensuring that the IT organizational structure complements the business model and its direction
5. Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business
6. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable
7. Monitoring 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



8. Ensuring proper balance of IT investments for sustaining bank's growth
9. Becoming aware about exposure towards IT risks and controls. And evaluating effectiveness of management's monitoring of IT risks through oversight over the proceedings of the Information Security Committee
10. Assessing Senior Management's performance in implementing IT strategies
11. Issuing high-level policy guidance (e.g. related to risk, funding, or sourcing tasks)
12. Confirming whether IT or business architecture is to be designed, so as to derive the maximum business value from IT
13. Overseeing the aggregate funding of IT at a bank-level, and ascertaining if the management has resources to ensure the proper management of IT risks
14. Reviewing IT performance measurement and contribution of IT to businesses

In respect of the Operations functions of the Bank, the key roles & responsibilities of the Committee are provided below:

1. Ensuring that the management has put an effective strategic planning process in place for operational activities that balances risk, customer experience and costs reviewing the same from time to time
2. Ensuring that the Operations organizational structure complements the business model and its direction
3. Ensuring that management has put in place effective steps to mitigate operational risks relating to the core operational processes of the Bank
4. Issuing high-level policy guidance (e.g. related to risk, funding, or sourcing tasks)
5. Reviewing metrics and measurement relating to operational processes so as to ensure due contribution to the business

Board members and Management officials shall engage in and promote honest and ethical conduct of Bank's business in a professional manner in order to protect Banks public image and reputation. Board members and Senior Management officials must act honestly, while discharging their duties. Board members are required to discharge certain duties as mentioned in Section 166 of the Companies Act,2013 and the duties ,roles and functions of Independent Directors as contained in Schedule IV of the Companies Act,2013 .

#### **K. Review Committee of the Board on Non Cooperative Borrowers**

The Review Committee of the Board on Non Cooperative Borrowers finalizes the decision with regard to classification & declassification of Non Cooperative Borrowers. The Committee is to be headed by MD & CEO and two other Independent Directors as members.

#### **Terms of Reference/ Roles and Responsibilities of the Committee are**

In compliance with RBI directions on Non Cooperative Borrowers (NCB) the Bank has put in place a policy on identification, classification & declassification of Non Cooperative Borrowers and reporting of such borrowers to the Central Repository of Information on Large Credits (CRILC). The policy envisages formation of a Committee headed by an Executive Director & consisting of two other Senior Executives of the rank of SVP/VP to take a decision on

classification & declassification of Non Cooperative Borrowers. Accordingly an ED level committee headed by ED & CFO is formed. The decisions of the ED level committee has to be placed to this Review Committee of the Board for confirmation.

**L. Review Committee of the Board for Wilful Defaulters**

The Review Committee of the Board for Wilful Defaulters reviews the order of the Internal Committee that identifies accounts to be reported as wilful default to comply with the regulatory guidelines. The Committee is to be headed by MD & CEO consisting of two independent directors as members.

**Terms of Reference/ Roles and Responsibilities of the Committee are**

This Review Committee reviews the order of the Internal Committee that identifies accounts to be reported as wilful default to comply with the regulatory guidelines. The Order shall become final only after it is confirmed by the Review Committee.