

BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED
INTERNAL GUIDELINES ON CORPORATE GOVERNANCE

1. Overview

The objective of this document is to assist Barclays Investments & Loans (India) Private Limited (**'Company'**) as a member of the Barclays Group with the establishment and administration of a governance structure in line with Barclays Group (**'Group'**) policies and practices and in compliance with local laws and regulations.

These Guidelines are issued and monitored by the Board of Directors of the Company. The Company implements all applicable Group policies that are relevant to the Company subject to any variations required by local law, regulations and guidance issued by relevant regulators.

The Company is registered with Reserve Bank of India (**'RBI'**) as a Systemically Important Non-Banking Financial Company (NBFC) without accepting public deposits and falls under the category of NBFC Middle Layer (NBFC-ML) as per the regulatory structure prescribed by RBI. The Company is engaged in the business of extending credit facilities to Ultra High Net Worth and High Net-Worth Individuals and commercial entities owned by them, against financial assets. The Company also provides marketing and support services to its associated and group companies. The Company is further scaling its lending and financing business activities in India, for diverse purposes, apart from existing Loan against Securities business.

The Company ensures good governance through the Board of Directors of the Company and its Committees.

2. RBI Directions on Corporate Governance

In order to enable NBFCs to adopt best practices and greater transparency in their operations, RBI has issued Master Directions – RBI (NBFC – Scale Based Regulation) Directions, 2023, as amended from time to time. In pursuance of the aforesaid Directions, the internal Guidelines on Corporate Governance have been framed for consideration by the Board of Directors.

3. Governance Structure

The Company is a distinct legal entity registered under the erstwhile Companies Act, 1913 (now amended to Companies Act, 2013). The affairs of the Company are governed in the manner as described below in detail.

i) Board of Directors

The Board of Directors along with its Committees shall provide leadership and guidance to the Company's management. The Company's management shall act in accordance with the supervision, control and direction by the Board of Directors of the Company.

Composition

The Composition of the Board shall be governed by the Articles of Association of the Company read with applicable provisions of Companies Act, 2013 (**the 'Act'**) and rules framed thereunder, as may be amended from time to time.

The Board of Directors may include directors from various Business Units / clusters of Barclays, as may be required to oversee the business activities of the Company as per applicable local law, regulations and guidance issued by relevant regulators and as suggested under Group norms.

The Board shall meet at least four times in a year, in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board (except where extension is granted by the Ministry of Corporate Affairs).

ii) **Committees**

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 per the terms of reference approved by the Board. The minutes of the meetings of all Committees shall be placed before the Board for noting in subsequent meeting.

In compliance with applicable laws and regulations, its constitution documents and the Barclays Group governance and control arrangements, the Company has formed the following Committees:

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Management and Risk Control Committee
- Asset and Liability Committee
- High Level Monitoring Committee
- Information Technology (IT) Strategy Committee
- Information Technology (IT) Steering Committee

The Board of Directors of the Company may, from time to time, constitute such other committees as may be required under extant Group policies, local regulations or for the purpose of ease of governance.

Responsibilities of the Committees

Each Committee has defined responsibilities and operates within its Terms of Reference (**'ToRs'**) as approved by the Board from time to time. The details of the Committees formed by the Board of Directors are given hereinbelow:

I. Audit Committee

Composition	The Committee shall consist of minimum of three directors
Quorum	The quorum shall be either two Members or one-third of the total strength, whichever is higher
Frequency	The Committee shall meet as and when required, but shall meet at least four times in a year
Role	<p>The terms of reference of the Audit Committee, <i>inter alia</i>, shall include the following:</p> <ul style="list-style-type: none"> ▪ Recommendation for appointment, remuneration and terms of appointment of auditors of the Company. ▪ Review and monitor auditor's independence and performance, and effectiveness of audit process. ▪ Examination of financial statement and auditors' report thereon. ▪ Approval or modification of transactions of the Company, if any, with related parties. ▪ Scrutiny of inter-corporate loans and investments, if any. ▪ Evaluation of undertakings or assets of the company, wherever it is necessary. ▪ Evaluation of internal financial controls and risk management systems. ▪ Monitoring the end use of funds, if raised through public offers and related matters. ▪ Such other tasks as may be entrusted to it by the Board of Directors from time to time.

II. Nomination and Remuneration Committee

Composition	The Committee shall consist of minimum of three directors
Quorum	The quorum shall be either two Members or one-third of the total strength, whichever is higher
Frequency	The Committee shall meet as and when required, but shall meet at least once in a year
Role	The terms of reference of the Nomination and Remuneration Committee, <i>inter alia</i> , shall include the following:

	<ul style="list-style-type: none"> ▪ Identify 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. ▪ Specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance. ▪ Formulate the criteria for determining qualifications and positive attributes of a director. ▪ Recommend to the Board a policy, relating to remuneration for the Directors, Key Managerial Personnel and other employees in scope of the Policy and to review its implementation. ▪ Ensuring 'fit and proper' status of proposed / existing directors and scrutinize the declarations. ▪ To ensure that there is no conflict of interest in the appointment of directors on the Board of the Company, key managerial personnel and senior management. ▪ Such other tasks as may be entrusted to it by the Board of Directors from time to time.
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III. Corporate Social Responsibility (CSR) Committee

Composition	The Committee shall consist of two or more directors.
Quorum	The quorum shall be either two Members or one-third of the total strength, whichever is higher
Frequency	The Committee shall meet as and when required, but shall meet at least two times in a year
Role	<p>The terms of reference of the CSR Committee, <i>inter alia</i>, shall include the following:</p> <ul style="list-style-type: none"> ▪ Recommend to the Board, a CSR policy, which shall indicate the activities to be undertaken by the Company in the areas or subject as specified in Schedule VII of the Act. ▪ Recommend the amount of CSR expenditure to be incurred on projects which are in line with the activities referred in the CSR Policy of the Company. ▪ Monitor the implementation of the CSR Policy at an entity level. ▪ Formulate and recommend an annual action plan in pursuance of its CSR Policy, or alter such plan, if considered necessary, based on reasonable justification. ▪ Undertake to conduct impact assessment, if required under the Companies Act, 2013, for CSR projects having outlays of one crore rupees or more and which have been completed not less than one year before undertaking the impact study, through an independent agency and place such report before the Board. ▪ Such other tasks as may be entrusted to it by the Board of Directors from time to time.

IV. Management and Risk Control Committee

Composition	The Committee shall consist of such number of Members as may be determined by the Board.
Quorum	The quorum shall be either two Members or one-third of the Members of the Committee, whichever is higher.
Frequency	The Committee shall meet as and when required, but shall meet at least four times in a year.
Role	<p>The terms of reference of the Management and Risk Control Committee, <i>inter alia</i>, shall include the following:</p> <ul style="list-style-type: none"> ▪ Discuss on business updates and progress of the Company. ▪ Review and monitor key business risks and take action where required in relation to changes in risk environment. ▪ Monitor the status of new and amended products. ▪ Monitor credit risk exposures against the defined appetite and thresholds and ensure corrective action to bring within risk appetite.

	<ul style="list-style-type: none"> ▪ Review and approve outsourcing arrangements, if required. ▪ Oversee the effectiveness of the Control Environment in relation to Operational, Reputation and Compliance Risk. ▪ Oversee the effectiveness of control remediation activities. ▪ Controls assurance. ▪ Oversee the Barclays Controls Framework across business/entity/function. ▪ Deep dive reports. ▪ Such other tasks as may be entrusted to it by the Board of Directors from time to time.
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V. Asset and Liability Committee (ALCO)

Composition	The Committee shall consist of such number of Members as may be determined by the Board.
Quorum	The quorum shall be at least three Members.
Frequency	The Committee shall meet as and when required, but shall meet at least four times in a year.
Role	<p>The terms of reference of the Asset and Liability Committee, <i>inter alia</i>, shall include the following:</p> <ul style="list-style-type: none"> ▪ Manage the funding and investment of Company's balance sheet. ▪ Manage the liquidity and cash flow of the Company. ▪ Manage the capital position and flow. ▪ Manage asset and liability margins and internal transfer pricing arrangements. ▪ managing compliance with all internal and regulatory limits and ratios for the above activities. ▪ Consider and recommend to Barclays New and Amended Product Approval Committee/Board of Directors of the Company all new products that has a material impact on or off balance sheet and/or carries liquidity risk, market risk, treasury operational risk, etc. ▪ Consider and approve any other matters related to liquidity risk management including matters that might be required by RBI to be dealt with by ALCO from time to time. ▪ Such other tasks as may be entrusted to it by the Board of Directors from time to time.

VI. High Level Monitoring Committee

Composition	The Committee shall consist of three or more Members with representation from Business and Operations.
Quorum	The quorum shall be either two Members or one-third of the total strength, whichever is higher.
Frequency	The Committee shall meet as and when required, but shall meet at least once in a year.
Role	<p>The terms of reference of the High Level Monitoring Committee, <i>inter alia</i>, shall include the following:</p> <ul style="list-style-type: none"> ▪ Evaluate compliance systems for Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS) including timely completion of due diligence thereof. ▪ Monitor the reporting under FATCA regulations from time to time. ▪ Monitor the reporting under CRS from time to time. ▪ Such other tasks as may be entrusted to it by the Board of Directors from time to time.

VII. Information Technology (IT) Strategy Committee

Composition	The Committee shall consist of three or more Members with representation from Technology.
Quorum	The quorum shall be at least two Members or one-third of the total strength, whichever is higher.

Frequency	The Committee shall meet as and when required, but shall meet at least four times in a year
Role	<p>The terms of reference of the IT Strategy Committee, inter alia, shall include the following:</p> <ul style="list-style-type: none"> ▪ Approve IT Strategy and ensure policy documents are in place & provide direction on execution of the IT Strategy. ▪ Ensure that an effective IT strategic planning process is in place and is aligned with the IT Policy and IT Strategy. ▪ Guide in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy towards accomplishment of business objectives. ▪ 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. Review necessary IT risk management processes are in place and ensure IT risk awareness and cyber hygiene practices are applied. ▪ Ensure that the processes are put in place for assessing and managing IT and cybersecurity risks. Review Cyber security posture of the RE is robust. ▪ Ensure that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with IT maturity, digital depth, threat environment and industry standards and are utilized in a manner intended for meeting the stated objectives. Review that there is an effective organizational structure to support IT functions. ▪ Review, at least on an annual basis, the adequacy and effectiveness of Business Continuity Planning and Disaster Recovery Management and IT Performance Management of the Company. ▪ Review IT/ IS and their support infrastructure are functioning effectively and efficiently; and IT contributes to productivity, effectiveness and efficiency in business operations. ▪ Review functioning of Group Information Security Committee and IT Steering Committee. ▪ Review latest IT audit report as conducted by internal/external auditors. ▪ Undertake any other responsibility as laid down by RBI from time to time.

VIII. Information Technology (IT) Steering Committee

Composition	The Committee shall consist of two or more Members with representation from Business and Technology.
Quorum	The quorum shall be at least two Members or one-third of the total strength, whichever is higher.
Frequency	The Committee shall meet as and when required, but shall meet at least four times in a year
Role	<p>The terms of reference of the IT Steering Committee, inter alia, shall include the following:</p> <ul style="list-style-type: none"> ▪ Assist the IT Strategy Committee in strategic IT planning, oversight of IT performance, and aligning IT activities with business needs. ▪ Oversee the processes put in place for business continuity and disaster recovery. ▪ Ensure implementation of a robust IT architecture meeting statutory and regulatory compliance. ▪ Update IT Strategic Committee and CEO periodically on the activities of IT Steering Committee; and ▪ Such other tasks as may be entrusted to it by the Board of Directors from time to time.

4. 'Fit and Proper' Criteria

The Company shall:

- i) put in place, a policy for ascertaining the 'fit and proper' criteria of the directors at the time of appointment, and on a continuing basis.

- ii) undertake the process of due diligence to determine the suitability of the person for appointment / continuing to hold appointment as a director on the Board, based upon qualification, expertise, track record, integrity and other 'fit and proper' criteria. The process of due diligence should be undertaken at the time of appointment and renewal of appointment.
- iii) obtain a declaration and undertaking from the directors every year giving additional information on the directors in the prescribed format for judging their 'fit and proper' status.
- iv) Obtain a deed of covenant signed by the directors in the prescribed format.
- v) furnish to RBI a quarterly statement on change of directors, and a certificate that 'fit and proper' criteria' in selection of the directors has been followed. The statement for the quarter ending March 31st shall be certified by the auditors.

5. Disclosure and Transparency

The following must be put forth before the Board of Directors, at regular intervals, as may be prescribed by the Board in this regard:

- i) the progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the Company; and
- ii) conformity with corporate governance standards viz., composition of various committees, their role and functions, periodicity of the meetings and compliance with coverage and review functions, etc.

The following must be disclosed in the Annual Financial Statements of the Company:

- i) registration/ licence/ authorisation, by whatever name called, obtained from other financial sector regulators;
- ii) ratings assigned by credit rating agencies and migration of ratings during the year;
- iii) penalties, if any, levied by any regulator;
- iv) information namely, area, country of operation and joint venture partners with regard to Joint ventures and overseas subsidiaries; and
- v) Asset-Liability profile, extent of financing of parent company products, NPAs and movement of NPAs, details of all off-balance sheet exposures, structured products issued by them and other disclosures as may be prescribed.

6. Rotation of partners of the Statutory Auditors Audit Firm

The firm of the Chartered Accountant conducting statutory audit of the Company will be subject to rotation and is required to rotate in every three years. The Company shall incorporate appropriate terms in the letter of appointment of the firm of auditors and ensure its compliance.

Further detailed policy on Statutory Auditors appointment has been put across on the company's website.

7. Information System Audit

The Audit Committee of the Company shall ensure that an information system audit of the internal systems and processes is conducted at least once in a year to assess the operational risks, if any, faced by the Company.