

Aseem Infrastructure Finance Limited (AIFL)

Internal Guidelines on Corporate Governance ('POLICY')

Reviewing & Approving Authority

Authority	Designation
Prepared By	Company Secretary
Reviewed By	Chief Executive Officer Head Legal & Compliance
Approved By	Board of Directors
Date of approval	May 28, 2021

Version History

<u>V1 – September 16, 2020</u>	<u>Adoption of Internal Guidelines on Corporate Governance</u>
<u>V2 – May 28, 2021</u>	<u>Modified in accordance with the discussions at the Board Meeting held on 12.01.2021</u>
<u>V3 – August 26, 2021</u>	<u>Reviewed Annually and no changes required</u>

ASEEM INFRASTRUCTURE FINANCE LIMITED
Internal Guidelines on Corporate Governance

Company Philosophy and Corporate Governance

The Reserve Bank of India (**'RBI'**) vide its Circular No. DNBR (PD) CC.No.029/ 03.10.001/ 2014- 15 dated April 10, 2015 notified Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015 (**"RBI Circular"**) which require NBFCs to frame Internal Guidelines on Corporate Governance.

Being a professionally run enterprise with National Investment and Infrastructure Fund II ("NIIF Fund II') holding controlling stake and effective board oversight, sound Corporate Governance practices are fundamental to the Company's quest of delivering long-term value to all its stakeholders.

Corporate Governance is a continuous process at Aseem Infrastructure Finance Limited. It is about commitment to sound values and ethical business conduct. Systems, policies and frameworks are regularly upgraded to meet the challenges of rapid growth in a dynamic external business environment.

Company

The Company is NBFC-ND-SI (Non-Banking Financial Company- Non-Deposit taking- Systemically Important) categorized as an Infrastructure Finance Company (NBFC-IFC) and is registered with Reserve Bank of India.

Board

The Company's Board currently consists of 5 Directors, comprising three nominee Directors of NIIF Fund II and two Independent Directors. The members of the Board are as follows:

Sr. No.	Name of Director	Designation
1.	Mr. Prakash Rao	Chairman & Non-Executive Director
2.	Mr. Rajiv Dhar	Non-Executive Director
3.	Mr. Saurabh Jain	Non-Executive Director
4	Mr. V Chandrasekaran	Independent Director
5	Ms. Rosemary Sebastian	Independent Director

The Directors bring to the Board a wide range of experience and skills which include banking, finance, investments, regulations and operations.

A Director shall not hold the office of director in more than 20 (twenty) companies including 10 (ten) public companies. The Directors shall submit disclosures as required under the provisions of applicable laws and the codes and policies adopted by the Company.

Fit and Proper Criteria for Director's Appointment

- The company will adhere to the policy on the fit and proper criteria, as per the guidelines issued by RBI at the time of appointment, and on continuing basis, by ensuring the following:
 - Company will undertake due diligence to determine the suitability of the person for appointment as a director on the Board, based upon qualification, expertise, track record, integrity and other fit and proper criteria.
 - Company has constituted Nomination Committee to scrutinize the declarations obtained from the directors
 - Based on the information provided in the signed declaration, Nomination Committee will decide on the acceptance and may make references, where considered necessary to the appropriate authority / persons, to ensure their compliance.
 - Company will annually obtain a simple declaration that the information already provided has not undergone change and where there is any change, requisite details are furnished by the directors forthwith.
 - The Company shall obtain a 'declaration and undertaking from the directors giving additional information on the directors as per format prescribed by RBI;
 - The Company shall obtain a 'Deed of Covenant' signed by the directors as per format prescribed by RBI.

BOARD MEETINGS

At least four Board Meetings shall be held in a year in accordance with the applicable provisions of the Companies Act, 2013 as may be amended from time to time.

Committees

For operational and administrative convenience, the Board has constituted sub-committees in addition to the ones mandated under the Companies Act, 2013 and Master Directions - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ("RBI Directions"):

A. Audit Committee

The Company has in place the Audit Committee in accordance with the provisions of the Companies Act 2013 and RBI Directions as amended from time to time. The terms of reference of the Audit Committee are in accordance with the relevant provisions of the Companies Act, 2013.

The Audit Committee consists of:

Sr No	Particulars	Designation	Chairman/Member
1	Mr. V Chandrasekaran	Independent Director	Chairman
2	Ms. Rosemary Sebastian	Independent Director	Member
3	Saurabh Jain	Non-Executive Director	Member

All the members are financially literate and at least one member has accounting or financial management expertise. The CFO and the representatives of the Statutory Auditors and Internal Auditors are permanent invitees to the Audit Committee Meetings. The Company Secretary of the Company acts as the Secretary to the Audit Committee.

The Audit Committee shall meet periodically, but at least four times in a year and not more than one hundred and twenty days shall elapse between two successive meetings. The quorum for the Audit Committee shall be any two directors.

B. Credit Committee

All financing proposals are submitted to the Credit Committee for its approval. The Credit Committee meets as may be required, to consider and approve proposals. In case of urgency, it takes up proposals for approval by circulation.

The Credit Committee consists of:

Sr No	Particulars	Designation	Chairman/Member
1	Mr. Prakash Rao	Non-Executive Director	Chairman
2	Mr. Nilesh Shrivastava	Nominee of NIIF Fund II	Member
3	Mr. Virender Pankaj	Chief Executive Officer	Member
4	Mr. AKT Chari	External Member	Member
5	Mr. Sadashiv Rao	Chief Executive Officer of NIIF IFL	Member

The Credit Committee shall meet as and when required for the purposes of discussing and approving the financing proposals. The quorum for the Credit Committee shall be any three Members present.

C. Nomination and Remuneration Committee (“NRC”)

The Company has in place, the NRC of the Company comprising of the following Members:

Sr No	Particulars	Designation	Chairman/Member
1	Mr. V Chandrasekaran	Independent Director	Chairman
2	Ms. Rosemary Sebastian	Independent Director	Member
3	Mr. Prakash Rao	Non-Executive Director	Member
4	Mr. Rajiv Dhar	Non-Executive Director	Member

The terms of reference of the NRC are in accordance with the applicable provisions of the Companies Act, 2013 and RBI Directions as may be amended from time to time. The Committee ensures formulation of the remuneration policy and sets out criteria for determining qualifications, positive attributes and independence of a director and recommends to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees; The Committee is responsible to ensure ‘fit and proper’ status of proposed/ existing directors.

The Committee may meet at such interval as it may deem fit and the quorum of the NRC shall be two Directors with presence of at least one Non- Executive Director of the Company.

D. Risk Management Committee (“RMC”)

The RMC would monitor risks associated with the business of the Company on a regular basis. The RMC consists of:

Sr No	Particulars	Designation	Chairman/Member
1	Mr. Prakash Rao	Non-Executive Director	Chairman
2	Mr. Rajiv Dhar	Non-Executive Director	Member
3	Mr. Nilesh Shrivastava	Nominee of NIIF Fund II	Member
4.	Mr. Virender Pankaj	Chief Executive Officer	Member

The RMC would review and monitor mainly four types of risks across the organization: credit risk, market risk, liquidity risk and operational risk.

The RMC should meet at an appropriate frequency but not more than six months should elapse between two meetings and update the Board on the deliberations at the Meeting. The quorum of the Committee shall be two members with presence of at least one Non-Executive Director of the Company.

E. Corporate Social Responsibility Committee (“CSR”)

AIFL believes that profitability must be complemented by a sense of responsibility towards its stakeholders. The CSR Committee, as mandated under Section 135 (3) of the Companies Act, 2013 formulated and recommended to the Board, a CSR Policy which indicates the activities to be undertaken by the Company as specified in Schedule VII of the Act and recommends the amount of expenditure to be incurred on the said activities.

The CSR Committee consists of:

Sr No	Particulars	Designation	Chairman/Member
1	Ms. Rosemary Sebastian	Independent Director	Chairman
2	Mr. V Chandrasekaran	Independent Director	Member
3	Mr. Prakash Rao	Non-Executive Director	Member

The CSR Committee may meet at such interval as it may deem fit and the quorum of the CSR Committee shall be two Directors with presence of at least one Non-Executive Director of the Company.

F. IT Strategy Committee

RBI vide its Master Direction on June 08, 2017 Direction requiring NBFCs to comply with requirements relating to Information Technology Framework (“IT Framework”). The IT Strategy Committee comprises of:

Sr No	Particulars	Designation	Chairman/Member
1	Ms. Rosemary Sebastian	Independent Director	Chairman
2	Mr. Prakash Rao	Non-Executive Director	Member
3	Mr. Rajiv Dhar	Non-Executive Director	Member
4	Mr. Virender Pankaj	Chief Executive Officer	Member
5	Mr. Madhusudan Warrier	Director – Information Technology ¹	Member
6	Mr. Bhawin Shah	Director – Credit Risk	Member
7	Mr. Nilesh Sampat	Chief Financial Officer	Member

The focus of the IT Framework is on IT Governance, IT Policy, Information & Cyber Security, IT Operations, IS Audit, Business Continuity Planning and IT Services Outsourcing. IT Framework given under Section-A of Master Direction applied to the Company being the systematically important NBFC. IT Framework required the Company to place the Master Direction before its Board, together with a

¹ Till the time AIFL onboard its IT personnel, Director -IT of NIIF IFL will discharge the said role.

gap-analysis vis-à-vis the Master Direction and the proposed actions. NBFCs were also required to form an IT Strategy Committee. This committee has to 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 quorum for IT Strategy Committee meeting shall be any three Members present including presence of at-least one director of the Company. Committee should meet at an appropriate frequency but not more than six months should elapse between two meetings.

G. ALCO Committee

The ALCO is a decision-making body responsible for integrated balance sheet management from risk-return perspective and includes the strategic management of interest rate and liquidity risks.

The ALCO comprises of the following:

Sr. No	Particulars	Designation	Chairman/Member
1	Mr. Virender Pankaj	Chief Executive Officer	Chairman
2	Mr. Nilesh Shrivastava	Nominee of NIIF Fund II	Member
3	Mr. Dhananjay Yellurkar	Chief Risk Officer, NIIF IFL	Member
4	Mr. Nilesh Sampat	Chief Financial Officer	Member
5	Mr. Bhawin Shah	Head – Risk	Member
6	Mr. Prakash Rao	Non-Executive Director	Permanent Invitee

NIIF – Economist will be an invitee to the ALCO meetings. The quorum for ALCO will be 3 (three) members, which must include the CEO and CFO. The ALCO will meet at least six times during the year. The Chairman of the ALCO may convene an ALCO meeting on a more frequent basis.

H. Finance Committee (“FC”)

The Finance committee comprises of the following:

Sr. No	Particulars	Designation	Member
1	Mr. Virender Pankaj	Chief Executive Officer	Member
2	Mr. Nilesh Sampat	Chief Financial Officer	Member
3	Mr. Dhananjay Yellurkar	Chief Risk Officer, NIIF IFL	Member

The scope of FC is to:

- monitor the overall treasury related investments and activities

- fix and vary limits within the delegated powers of this Policy
- set and review strategies related to such investments
- review treasury operations

The FC shall meet as and when required and the quorum for the said Meeting will be two members.

I. Internal Complaints Committee (ICC)

The ICC comprises of the following:

Name of the Member	Designation
Ms. Sapna Mohata - Senior Vice President	Presiding Officer
Ms. Aditi Taneja - Asst. Vice President Legal	Internal Member
Mr. Bhawin Shah - Head Risk	Internal Member
Ms. Alka Tiwari	External Member

- ICC shall be responsible for the following:
- Investigating every formal written complaint of Sexual Harassment in the workplace,
- Initiating and conducting inquiry as per the established procedure,
- Submitting findings and recommendations of inquiries and implementing appropriate action,
- Maintaining strict confidentiality throughout the process.

They may meet upon receipt of a complaint, if any. The quorum for the Meeting shall be two members.

OTHER CORPORATE GOVERNANCE MEASURES

The Company shall follow the standard Corporate Governance Measures.

Rotation of partners of the Statutory Auditors /Audit Firm

Rotation of partners of the Statutory Auditor/Audit Firm will be done in accordance with the provisions of the Companies Act, 2013 and as mandated by RBI.

Fair Practices Code:

Pursuant to the guidelines on Fair Practices Code issued by Reserve Bank of India, the Company has adopted a Policy for Fair Practice Code which shall be posted on the website of the Company. A regular review on the implementation of the same shall be conducted by committee members.

Code of conduct

The Company has adopted a Code of Conduct and Ethics of the Company and due care is taken that the same is being adhered to.

Whistle Blower Policy

The Board of Directors of the Company approved the Vigil Mechanism and amended the existing Whistle Blower Policy of the Company to bring it in line with the provisions of the Companies Act, 2013. The Whistle Blower Policy is disclosed on the website of the Company www.aseeminfra.in. The vigil mechanism is designed for the directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy.

Disclosures and transparency

The Board of the Company reviews, records and adopts the minutes of all the Board level committee meetings.

As part of the Corporate Governance, a compliance requirement has been put in place, wherein a quarterly report regarding compliance with all laws applicable to the Company is placed before the Board for their review.

Review

This policy shall be reviewed periodically and may be amended by the Board of the Company on the basis of decisions taken by the Board.