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INTERNAL GUIDELINES ON CORPORATE GOVERNANCE

OF

SATIN CREDITCARE NETWORK LIMITED

(VERSION 2- February 04, 2019)

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Ownership: Secretarial Department

INTERNAL GUIDELINES ON CORPORATE GOVERNANCE

Outlook: The philosophy of Corporate Governance aims to develop the desired framework and institutionalize the spirit it entails. It has always been the Company's endeavour to excel through better Corporate Governance and fair & transparent practices. The Board of Directors (the Board) along with its Committees provides leadership and guidance to the Company's management and directs, supervises and controls the activities of the Company. This principal of inclusion is always reflected in Financial Inclusion practices of the Company.

Company is committed to maintain transparency in all its dealings, conducts business with integrity and fairness and places high emphasis on business ethics.

Legal Framework:

In order to enable NBFCs to adopt best practices and greater transparency in their operations, Reserve Bank of India (RBI) has, on May 8, 2007, issued guidelines on Corporate Governance. In pursuance of the aforesaid Guidelines, the Company has framed the following internal Guidelines on Corporate Governance. The Code has been drafted bearing in mind the size of the Company's operations and the sector in which it operates. The Code also complies with the existing Reserve Bank Governance guidelines for NBFCs, as last summarized by RBI in its Master Circular dated September 01, 2016, on "Non-Banking Financial Company-Systemically Important Non- Deposit taking Company" as amended from time to time (hereinafter referred as "RBI Guidelines").

This policy shall always be in conformity with the provisions of the Regulations and any amendments in the Regulations shall be deemed to form part of this Policy.

The need for adoption of good corporate governance practices continues to engage the regulator and stakeholder attention.

Objective of Internal Guideline on Corporate Governance:

- Adoption of best corporate practices to ensure transparency and fairness in dealing with all the stakeholders of the Company and to increase the confidence of investors and other stakeholders.
- Ensure adherence with all the applicable statutory regulations relating to Corporate Governance.

Committees of the Board:

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board constitutes a set of Committees with specific terms of reference / scope as per the Master Circular dated September 01, 2016, on "Non-Banking Financial Company – Systemically Important Non- Deposit taking Company and as amended from time to time" The Committees shall operate as empowered agents of the Board as per their Charter / terms of reference. RBI Guidelines mentioned earlier, require the setting up of an Audit Committee, Asset Liability Committee, Risk Management Committee and Nominations Committee of the Board of Directors of the Company. The composition and terms of reference of below mentioned

SATIN CREDITCARE NETWORK LIMITED

Committees shall be in accordance with RBI laws and all other laws as applicable to Satin Creditcare Network Limited.

In compliance with the above cited provisions of the Act, RBI guidelines on Corporate Governance and in order to meet business exigencies, the Company has constituted its Board committees.

Audit Committee:

The Company has in place the Audit Committee in accordance with the provisions of Section 177 of the Companies Act, 2013, RBI guidelines and in terms of applicable provisions of SEBI (Listing obligation & Disclosure) Requirements, 2015 on Corporate Governance as may be stipulated from time to time. Regulatory requirement on Audit Committee composition

The audit committee shall have minimum three directors as members. Two-thirds of the members of audit committee shall be independent directors. All members of the Audit Committee are financially literate and at least one member shall have accounting or related financial management expertise. The company secretary acts as the Secretary of the Audit Committee. The committee meets at least 4 times in a year for the review of quarterly / annual financial results and at such other occasions as may be decided by it. The committee regularly invites such executives as it considers appropriate including the head of finance, head of internal audit and the representative of the statutory auditors to be present at the meetings of the committee.

The audit committee assists the Board in the dissemination of financial information and in overseeing the financial and accounting processes in the Company.

The Audit Committee composition (and the changes from time to time) is also disseminated on the website of the Company Link: https://satincreditcare.com/board-of-directors/.

The terms & references shall be in line with above said regulatory requirements.

ASSET LIABILITY MANAGEMENT COMMITTEE (ALM COMMITTEE)

An Asset Liability Management Committee (ALM Committee) of the Board of Directors shall be constituted in accordance with the requirements of RBI Circular on Corporate Governance, as may be stipulated from time to time, with regard to monitoring of market risk, the asset liability gap and strategic action to mitigate the risk associated. In terms of RBI guidelines the size (number of members) of ALM Committee would depend on the size of each institution, business mix and organisational complexity. To ensure commitment of the Top Management and timely response to market dynamics, the CEO/CMD or the ED should head the Committee. The Chiefs of Investment, Credit, Resources Management or Planning, Funds Management / Treasury (forex and domestic), International Banking and Economic Research can be members of the Committee. In addition, the Head of the Technology Division should also be an invitee for building up of MIS and related computerisation.

The committee meets at least 2 times in a year to review Asset liability gap and at such other occasions as may be decided by it. The ALM Committee's primary goal is to evaluate, monitor and approve practices relating to risk due to imbalances in the capital structure. The Company also has in place a Board approved Asset Liability Management (ALM) Policy, which prescribes the mechanism to mitigate risk.

1. The ALM Committee composition (and the changes from time to time) is also disseminated on the website of the Company Link: https://satincreditcare.com/board-of-directors/.

RISK MANAGEMENT COMMITTEE

The Company has in place the Risk Management Committee in accordance with RBI guidelines on Corporate Governance besides the Asset Liability Management Committee for the purpose of monitoring the risk and to make suitable strategies to control it.

The Risk Management Committee composition (and the changes from time to time) is also disseminated on the website of the Company Link: https://satincreditcare.com/board-of-directors/.

NOMINATION AND REMUNERATION COMMITTEE

The company through its Board of Directors shall constitute the nomination and remuneration committee which shall comprise at least three directors, all of whom shall be non-executive directors and at least half of them shall be independent. Chairman of the committee shall be an independent director. Provided that the chairperson of the company (whether executive or nonexecutive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee. Unless the Board specifically appoint a chairman for the Committee, the committee may elect one among them as the Chairman of the committee, who shall be an independent director. Company Secretary of the company shall be the Secretary of the Committee

The Nomination and Remuneration Committee composition (and the changes from time to time) is also disseminated on the website of the Company. Link: https://satincreditcare.com/board-of-directors.

The Nomination and Remuneration Committee ensure 'Fit and proper" Status of proposed/existing directors as per their Board approved Nomination and Remuneration Policy covering mechanism to ascertain fit and proper criteria at the time of appointment and on a continuing basis as prescribed under Annex IX of the above cited Master Directions on Corporate Governance (includes amendments thereto).

The terms & references shall be in line with above said regulatory requirements.

DISCLOSURE AND TRANSPARENCY

The Company shall place before the Board of Directors, at regular intervals, the following

1. The progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the Company.
2. Conformity with corporate governance standards with respect to composition of various committees, their role and functions, periodicity of the meetings and compliance.
3. Required disclosures shall also disclose in Annual Financial Statements.

ROTATION OF PARTNERS OF THE STATUTORY AUDITORS AUDIT FIRM

The Company shall rotate the partner/s of the Chartered Accountant firm conducting the audit, every three years so that same partner shall not conduct audit of the company continuously for more than a period of three years. However, the partner so rotated shall be eligible for conducting the audit, after an interval of three years. The Company shall incorporate appropriate terms in the letter of appointment of the firm of auditors and ensure its compliance. Appointment of Statutory Auditors shall happen in accordance with laws as stipulated under Companies Act, 2013 and in terms of SEBI and RBI laws, as prescribed and modified from time to time.

DISCLOSURE ON WEBSITE

In compliance with the above cited provisions of the RBI guidelines on Corporate Governance, "The internal guideline on corporate governance" shall be published on the Company's website, for the information of various stakeholders, as required by RBI, from time to time.

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