

Corporate Governance Policy

I. Philosophy on Code of Governance

The Bank's policy on Corporate Governance is to:

- a. enhance the long-term interest of its shareholders, provide good management, adopt prudent risk management techniques and comply with the required standards of capital adequacy, thereby safeguarding the interest of its stakeholders such as shareholders, depositors, creditors, customers, suppliers and employees.
- b. institutionalize accountability, transparency and equality of treatment for all its stakeholders, as central tenets of good corporate governance and to articulate this approach in its day-to-day functioning and in dealing with all its stakeholders.

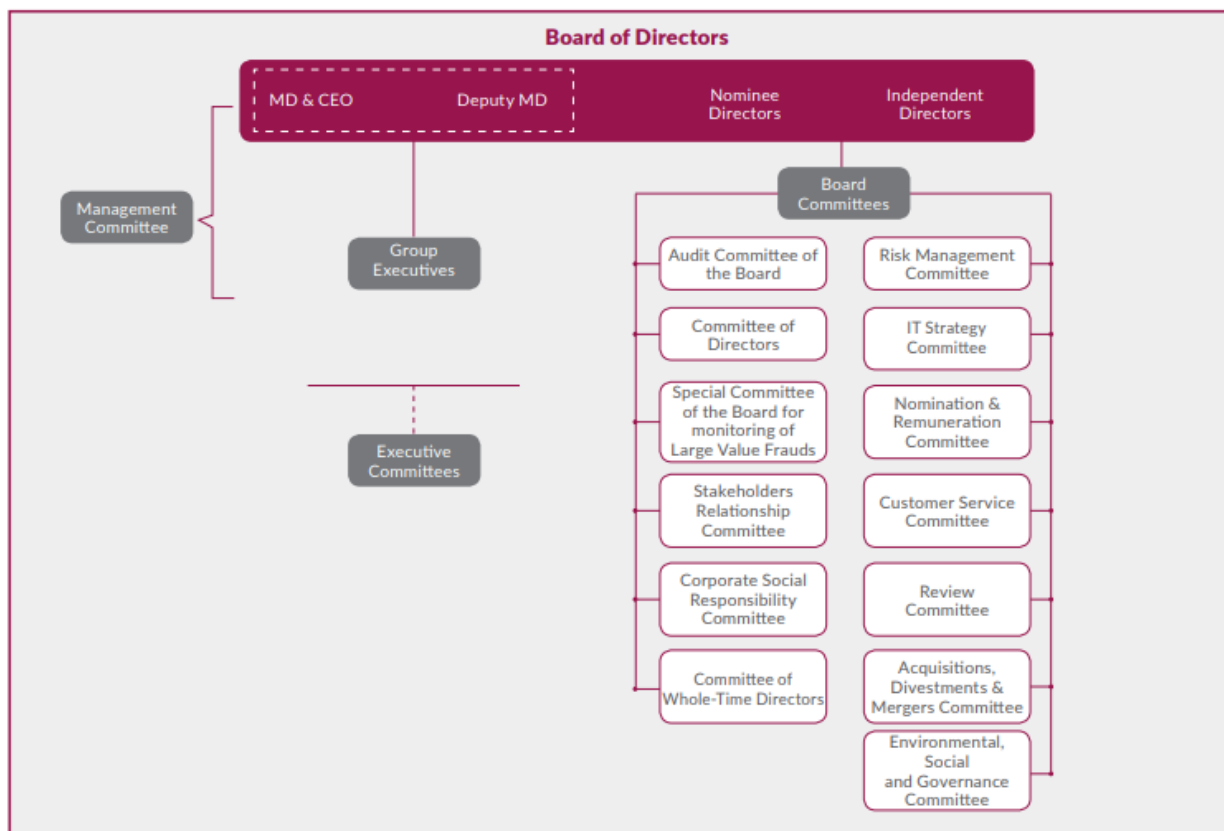
II. Governance Structure of the Bank

The Bank has a governance structure in place to enhance shareholders' value and protect their interest with a focus on improving the corporate performance, through transparency, meritocracy and accountability.

The Board of Directors (the Board) of the Bank oversees the standards of corporate governance at the Bank. The Directors are appointed by the shareholders and they represent the interest of shareholders of the Bank.

The Managing Director & CEO (MD & CEO) reports to the Board of the Bank. He oversees business operations, drives strategic growth and is responsible for overall performance of the business of the Bank. The Deputy Managing Director (Deputy MD) reports to the MD & CEO of the Bank.

The Board has constituted various Board Committees for a more focused review of specific matters. The Bank has also constituted various Executive Committees to inter alia deal with routine, operational and administrative matters, and review various matters before its submission to the Board / Committees. Diagrammatic representation of the Governance Structure of the Bank:



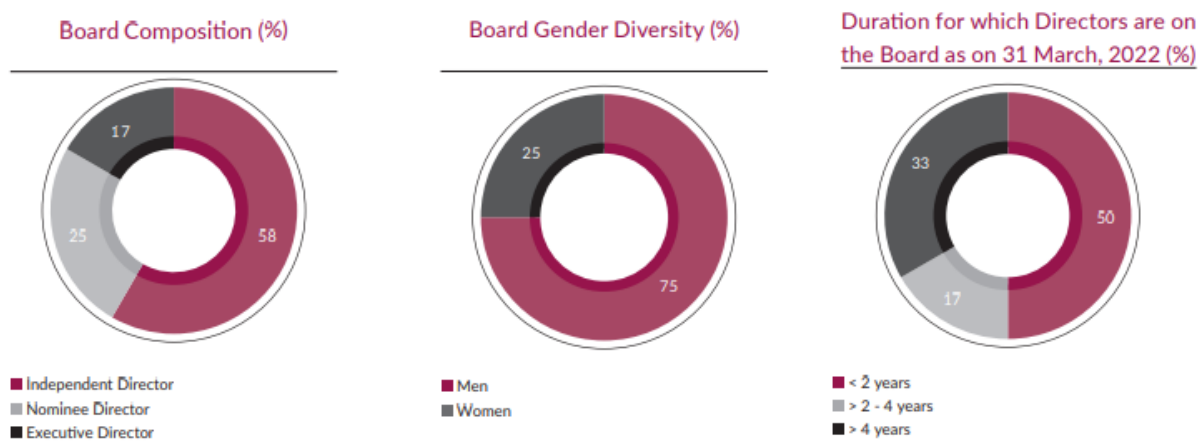
III. Board of Directors

1. Size and Composition of the Board

The composition of the Board is governed by the relevant provisions of the Companies Act, 2013 (the Act) and relevant rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), the Banking Regulation Act, 1949, the guidelines issued by the Reserve Bank of India (RBI), as amended, from time to time and the Articles of Association of the Bank (“the extant laws”).

The Board has an optimum combination of Executive and Non-Executive Directors with Independent Directors constituting more than one-half of its total strength. The Board has twelve Directors, comprising of MD & CEO, Deputy MD, seven Independent Directors and three Nominee Directors comprising nominees of the Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI) and Life Insurance Corporation of India (LIC), Promoters of the Bank and BC Asia Investments VII Limited, Integral Investments South Asia IV and BC Asia Investments III Limited (being entities affiliated to BAIN Capital, a Global Private Equity firm). The Board is led

by an Independent Director and Part-Time Chairman. The Board has three Women Directors, two of them are Independent Directors and one is Nominee of SUUTI.



2. Databank of Independent Directors

In terms of the Companies (Creation and Maintenance of Databank of Independent Directors) Rules, 2019 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors of the Bank are enrolled in the online databank of Independent Directors maintained by the Government.

3. Board Diversity

The Bank recognizes and embraces the importance of a diverse Board and is endowed with appropriate balance of skills, expertise, experience and perspectives thereby ensuring effective board governance. The Board has reviewed and adopted the Policy on Board Diversity, which sets out its approach to ensure diversity, and to enhance its effectiveness while discharging its fiduciary obligations towards the stakeholders of the Bank. The Policy on Board Diversity is available on the website of the Bank.

4. Selection and Appointment of Directors

The selection and appointment of Directors of the Bank is done in accordance with the extant laws. The Bank has formulated and adopted various policies with respect to selection and appointment of Directors i.e.

Succession Planning Policy for Board of Directors and Key Officials of the Bank, Policy on Fit and Proper Criteria for Board Directors of the Bank, Board Diversity Policy and Policy on Training for Board Directors of the Bank, the details of which are provided in this report. Succession Planning Policy for Board of Directors and Key Officials of the Bank

The Bank has formulated and adopted a Succession Planning Policy for Board of Directors and Key Officials of the Bank (the Policy), which has been reviewed by the Nomination and Remuneration Committee (NRC) and the Board of the Bank.

The objective of the Policy is to inter alia assess, identify and nominate suitable candidates to fill vacancies that may arise for positions of the Non-Executive Chairman, Independent Directors, MD & CEO, Whole-Time Directors (including Deputy MD), Group Executives, Key Managerial Personnel and other Key Officials of the Bank / Subsidiary Companies, from time to time. The Policy also seeks to plan for succession of the said roles and to fill any vacancies that may arise out of impending move or retirement or resignation or sudden exit or for any reason whatsoever in such roles.

The Policy also provides for the course of action to be initiated in case of delay or non-receipt of regulatory / statutory approvals, relating to appointment / re-appointment of MD & CEO or Whole-Time Director (including Deputy MD) or in case of a sudden vacancy in the position of MD & CEO or Whole-Time Director (including Deputy MD), caused due to death or permanent incapacitation or for any other reason whatsoever.

5. Policy on Fit and Proper Criteria for Board of Directors of the Bank

The Bank has formulated and adopted a Policy on Fit and Proper Criteria for Board Directors of the Bank (the Policy) to enable the NRC to assess and confirm to the Board that the person who is considered for being appointed / re-appointed as a Director of the Bank, is compliant with the Fit and Proper norms, as prescribed under IRDAI and extant laws and as such is suitable of being appointed / re-appointed as a Director of the Bank and make appropriate recommendations to the Board.

In terms of the said Policy, the NRC assesses the 'Fit and Proper' status of the Director, before considering his / her candidature for appointment / re-appointment as a Director of the Bank and annually i.e. as at 31st March every year.

The Directors of the Bank, individually sign a deed of covenant which binds them to discharge their responsibilities to the best of their abilities, in order to be eligible for being appointed / re-appointed as a Director of the Bank.

6. Policy on Training for Board of Directors of the Bank

The Bank has formulated and adopted a Policy on Training for Board of Directors of the Bank (the Policy), which aims at providing timely and wholesome orientation and training to its Directors to ensure that they are well versed with the business, regulatory and operational aspects of Banking.