

Standard Chartered Investments & Loans (India) Ltd (“The Company”)

GUIDELINES ON CORPORATE GOVERNANCE

Policy Title	Standard Chartered Investments & Loans (India) Ltd (SCILL) - Guidelines on Corporate Governance
Version Number	1.1
Applicability	Reserve Bank of India Guidelines and as amended from time to time
Geography	India
Status	Current
Effective Date	01 December 2016
Review Date	16 May 2019
Purpose & Scope	RBI Master Circular – “Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015” no. RBI/2014-15/632 DNBR (PD) CC No.040/03.01.001/2014-15 dated June 03, 2015 requires Company to formulate internal guidelines on Corporate Governance with the approval of the Board of Directors.
Definitions	<p>"Accountable Executive" - the designated functional representative with accountability for the business governance and management of the Significant Non Banking Subsidiary (SNBS). This includes accountability for local filing, general compliance with local laws and regulations and for deciding on the use of in-house or engaging a third party company secretarial specialist.</p> <p>'Blueprint' - Blueprint OneWorld, the Group's Corporate Database</p> <p>'Board' - the Board of Directors of the Company</p> <p>'CEO' - unless otherwise specified, the Chief Executive Officer or equivalent of the Company</p> <p>'Dormant' - an entity which has no significant account transactions</p> <p>`GCS' - Group Corporate Secretariat</p> <p>`GCS representative' - Global Head, Subsidiary Governance and his/ her nominee</p> <p>'Governance CEO' - the Country CEO with governance responsibility for the country of incorporation or domicile of the</p>

	<p>Company</p> <p>`Group' - Standard Chartered PLC and its subsidiaries</p> <p>'Group Entity' - any Group company and/or any Controlled Structured Entity</p> <p>'INED' - an independent non-executive director who is appointed from outside the Group and who meets both the criteria for independence specified in relevant local laws and regulations and the Group's criteria, whichever is more stringent</p> <p>'Non-banking Subsidiary' - any subsidiary of the Group, other than a licensed bank</p> <p>`Responsible Person' - the person within Standard Chartered designated with the responsibilities for ensuring that the data held on Blueprint is accurate and up-to-date at all times. RPs shall meet the Blueprint Minimum Standards. To download a copy of the Blueprint Minimum Standards please click here. The Responsible Person should also ensure that they receive the relevant training from GCS.</p> <p>`SCB Appointee' - a Director of the Company who is an employee from within the Group</p> <p>'Significant Non-banking Subsidiary' - see definition in the procedures above</p> <p>'Third Party Company Secretarial Specialist' - an external provider of company secretarial services approved by the GCS Representative.</p>
Policy Owner (name & title)	Company Secretary, SCILL shall be responsible for carrying out changes in the Corporate Governance document as may be recommended by the SCILL Board from time to time.
Approving Authority	SCILL Board

1. Constitutional Documents

(Memorandum and Articles of Association or equivalent)

1.1. The Company Secretary, shall review and endorse any proposed changes to the constitutional documents of the Company relating to the appointment and removal of directors, board composition, shares, director/shareholder meetings and financing to ensure that responsiveness to Group control needs is maintained.

2. Board Function and Responsibilities

2.1. As a legal entity in its own right, the Company is only constrained by the laws and regulations of its jurisdiction and its constitutional documents. The Board is the ultimate decision making body and shall be guided by Group policies and strategy.

2.2. It would be normal for the Board to delegate day to day management for the operations of the Company to the CEO or equivalent or executive management committee(s) as appropriate having regard to the size of the business and underlying risk.

All other Board committees shall only be set up if mandated by regulation. All committees within the governance structure of the Company shall be given appropriate terms of reference ("TOR"). The TOR should be based on a standard template endorsed by the relevant Group Head (e.g. Group Head, Internal Audit for the Audit Committee Terms of Reference) with deviations based on local requirements.

2.3. The Board shall meet as required by the Company's constitutional documents and regulations. Additional board meetings are possible, but should only be held as appropriate for good governance and shall focus on matters reserved to it.

3. Delegation of Authority and approval processes

3.1. Effective governance of the Company requires its management to be involved in all significant decisions, and to be accountable to its Board. All delegated authorities shall emanate from the Board.

3.2. In establishing a robust delegated authorities structure, whether for risk/business approval, financial expenditure approval or for other approvals, the Company shall mirror standard Group delegations of authority, in respect of both quantum and individuals to be granted authority.

3.2. A model process for delegating authority within the Company shall be in line with the group process.

4. Board

4.1. The Governance CEO, or relevant CFO or CRO (or the COO if deemed sufficient for corporate governance purposes) must be appointed to the Board of every SNBS incorporated within their jurisdiction. The Governance CEO may consult with the relevant GCS Representative or Group Company Secretary if s/he believes that appointment of the COO (instead of the CFO or CRO) is sufficient in the circumstances.

4.2. Directors of Company shall be SCB Appointees. Where there is a legal or regulatory necessity INEDs may be appointed and section 6 of the Banking Subsidiary procedures shall be complied with. If a minority shareholder is entitled to appoint directors, the majority of the Board shall be SCB appointees.

4.3. Directors shall be able to devote sufficient time to the role and be willing to attend the scheduled board meetings in person. Attendance by phone or video conference

should be considered where the director is located in a different country, subject to the Chairman's approval and compliance to local laws

4.4. SCB Appointees to the SNBS Board should be: (a) endorsed by the Governance CEO and (b) senior executives ideally with responsibility for businesses/ functions with relevance to the activities of the SNBS. Career development should be a consideration when making appointments

4.5. All SCB Appointees are required to comply with the Group's Outside Business Interests policy.

7. CHAIR OF THE BOARD

7.1 A designated chairperson is only required to be appointed where local laws and/ or regulations require one. For all other SNBS, it is expected that the Board will appoint a chairperson as necessary or convenient.

7.2 Where a designated chairperson is required, s/he must be an SCB Appointee unless local law or regulation requires an INED. Appointment of an INED chairperson should follow the procedure set out in the Standards for Banking Subsidiaries. The designated chairperson has primary responsibility for effective operation of the Board, assisted by the designated Company Secretary or third-party company secretary specialist if applicable.

7.3 Where the chairperson is an INED or where a designated chairperson is not required, the Accountable Executive (if a Director) or a Board member nominated by the Accountable Executive has responsibility for the effective operation of the Board

8. INDUCTION AND ONGOING TRAINING

8.1 All directors must undertake a board induction (to suit the director's knowledge and past experience). This must be facilitated by the designated Company Secretary or GCS Representative and should be based on the Group standard directorship induction available on the GCS Subsidiary Governance Bridge page.

8.2 SCB Appointees to the Board of a SNBS should identify their own specific ongoing training tailored to their individual needs as part of their individual learning development plan. SCB Appointees must fully understand their duties and obligations of being a director under the relevant local laws and regulations.

9. GROUP POLICIES AND STANDARDS

9.1 The Accountable Executive (in consultation with the Governance CEO or Global Head of GBS, as applicable) must ensure that the SNBS adopts all relevant Group Policies and Standards/ Procedures and all business policies specific to the activity of the SNBS, customised as required to be fit for purpose, local conditions and to ensure compliance with the ERMF. The Accountable Executive of the SNBS must liaise with the relevant local Risk Owners when creating and adopting Group Policies and Standards/ Procedures.

9.2 All policies and standards adopted must reflect both local legal, regulatory and Group requirements.

10. THE COMPANY SECRETARY AND BOARD SUPPORT

10.1 In a country where the Group operates as a Banking Subsidiary, the Company Secretary of the SNBS will either be a business funded resource with appropriate skill and expertise to perform this function (with guidance and oversight from GCS), or the designated Banking Subsidiary Company Secretary where that has been agreed with GCS. Support may be provided by an approved Third Party Company Secretarial Specialist.

10.2 In a country where the Group does not operate as a Banking Subsidiary, the Company Secretary will either be a business funded resource with appropriate skill and expertise to perform this function (and where there is sufficient volume) or designated by the Accountable Executive's function with support from an approved Third Party Company Secretarial Specialist as required.

10.3 For GBS Entities, there will be a dedicated Company Secretary in-country who will report to and be supervised by the GBS Malaysia Company Secretary.

10.4 GCS will provide appropriate advice and guidance to designated Company Secretaries who are not a member of the GCS Function.

10.5 The minimum standards for a SNBS set out on the GCS Subsidiary Governance Bridge page must be complied with. If an approved Third Party Company Secretarial Specialist is instructed those same minimum standards should be included in the scope of responsibilities for the third party.

10.6 GCS has oversight responsibility to ensure that the Governance CEOs and the GBS Global Head (as applicable) are provided with assurance that the Policy requirements and company secretary minimum standards are being complied with.

11. ACCOUNTABLE EXECUTIVE AND RESPONSIBLE PERSON

11.1 A Governance CEO, Accountable Executive and Responsible Person must be identified for all SNBS. For GBS Entities, these individuals will be identified by the GBS Global Head (or his/her nominee).

11.2 The Accountable Executive should be the CEO of the SNBS or, if no CEO is appointed, the Group employee responsible for the business governance and management of the SNBS. The Accountable Executive must ensure that the Governance CEO is aware of all material corporate governance risks and issues relating to the SNBS on an ongoing basis and is required to provide a formal update to the Governance CEO on a six-monthly basis. The standard reporting template and process description are set out in a document on the GCS Subsidiary Governance Bridge page.

11.3 The Accountable Executive should consult with GCS on templates, materials and guidance available in the Governance Manual and otherwise on the GCS Subsidiary Governance Bridge page.

11.4 The Responsible Person should be identified by the Accountable Executive and agreed with the Company Secretary or relevant GCS Representative. The Responsible Person must be in a position to be able to receive and understand the information which needs to be maintained in Blueprint and must receive the appropriate training on Blueprint.

11.5 The Accountable Executive must ensure that once the SNBS is no longer required it is liquidated, in accordance with the Group Changes to Corporate Structure ("CGCS") Policy. The CGCS "Approval Form" must be completed before commencing liquidation proceedings. All costs in relation to the SNBS, including liquidation, must be borne by the Accountable Executive's function or business.

11.6 When a SNBS becomes dormant the Standards for Non-Banking Subsidiaries will apply.

11.7 Prior to any change in the business purpose of a SNBS, the Accountable Executive must comply with the CGCS Policy requirements and ensure that the mandatory approvers have been identified, assessed and mitigated all related risks.

11.8 Record Keeping:

- The Company Secretary must ensure that all minutes of directors and shareholder meetings or resolutions in writing are properly approved and signed.
- The Company Secretary must ensure that signed copies of all minutes, resolutions in writing as well as the other documents and official records, such as the constitutional documents, share certificates, official registers of the SNBS are kept in accordance with the Group's policy on the retention of documents and otherwise in accordance with local requirements.
- The Responsible Person must input all SNBS into Blueprint on set up or acquisition, and keep the mandatory fields updated at all times in accordance with the Blueprint minimum standards which are available on the GCS Blueprint Bridge page.

10. Assurance Check

10.1 The Company Secretary in the country of incorporation or the Regional Company Secretary, where there is no GCS presence in country, shall conduct a proportionate and sample based annual review to track compliance against the policy requirements and ensure action plans are in place to address any identified gaps.

10.2 All exceptions shall be raised to the Group Company Secretary and where rectification has not been completed within 90 days the issue will be reported to the Legal/ GCS risk committee.

10.3 The designated Accountable Executive ("AE") shall provide assurance against the policy requirements, to the Governance CEO on a six monthly basis through the standard AE reporting.

10.4 The Regional Heads, Subsidiary Governance shall conduct an annual review with the Regional CEO Offices to check that the six monthly reporting process is working effectively.

Version Control

Date	Version	Pages	Summary of key changes
16 May 2019 Board meeting approval date	1.1	Total pages 9 Changes at Page 1	Updated to reflect changes to Group Policy on Corporate Governance for SNBS
Next review by May 2020			