



**CORPORATE GOVERNANCE CODE
OF
UJJIVAN FINANCIAL SERVICES LIMITED**

Updated as on February 11, 2022

A. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Ujjivan Financial Services Limited ('the Company' / Ujjivan) recognizes its role as a corporate citizen and endeavors to adopt the best practices and the highest standards of Corporate Governance through transparency in business ethics, accountability to its customers, government and others. The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them and adopt the best practices.

In pursuing its Mission of “providing a full range of financial services to the economically active poor, to build a better life”, Ujjivan has been balancing its dual objectives of “social” and “financial goals since its inception. “Responsible financing”, “ethical values” and “transparency in all its dealings with its customers, lenders, investors and employees” have been the cornerstone of its operations. Transparency in the decision making process has been providing comfort to all stakeholders, particularly the lenders and investors.

B. RBI GUIDELINES ON CORPORATE GOVERNANCE

The Company is a registered Non-Deposit taking Systemically Important Non-Banking Financial Company – Core Investment Company (“NBFC-ND-SI-CIC”) and has received a new Certificate of Registration dated October 10, 2017 from the Reserve Bank of India.

In order to enable all NBFCs to adopt best practices and greater transparency in their operations, RBI has, vide its notification dated April 10, 2015 has issued the directions relating to corporate governance. Further, the RBI summarized the corporate governance requirements in its Master Circular dated July 01, 2015. RBI has exempted the applicability of the Master Circular on Corporate Governance to a Systemically Important Core Investment Company as defined in the Core Investment Companies (Reserve Bank) Directions, 2011. However, the Company has always believed in following the best Corporate Governance practices and even though exempted by the RBI, will continue to follow the already adopted practices.

Further, the Company being a NBFC-ND-SI-CIC will be guided by the RBI Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016 (hereinafter referred to as “Master Directions”) as amended and the compliances and directives mentioned therein.

The need for adoption of good corporate governance practices continues to engage the regulator and stakeholder attention. This is also in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations” or “SEBI LODR Regulations”).

C. NBFC-CIC MAJOR COMPLIANCES AND GOVERNANCE REQUIREMENTS

(1) The major compliances which the Company as a NBFC-CIC needs to comply on a continuous basis are as under:

Sr. No.	Particulars	Compliance Status
1.	The Company holds not less than 90% of its net assets in the form of investment in equity shares, preference shares, bonds, debentures, debt or loans in group companies;	Yes
2.	The Company's investments in the equity shares (including instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue) in group companies constitute not less than 60% of its net assets	Yes

Sr. No.	Particulars	Compliance Status
3.	The does not carry on any other financial activity referred to in Section 45I(c) and 45I (f) of the Reserve Bank of India Act, 1934 except- (a) investment in (i) bank deposits, (ii) money market instruments, including money market mutual funds and liquid mutual funds (iii) government securities, and (iv) bonds or debentures issued by group companies; (b) granting of loans to group companies; and (c) issuing guarantees on behalf of group companies.	Yes
4.	Adjusted Net Worth of the Company shall at no point of time be less than 30% of its aggregate risk weighted assets on balance sheet and risk adjusted value of off-balance sheet items as on the date of the last audited balance sheet as at the end of the financial year.	Yes
5.	The outside liabilities of the Company shall at no point of time exceed 2.5 times its Adjusted Net Worth as on the date of the last audited balance sheet as at the end of the financial year.	Yes
6.	The Company should file a quarterly statement on change of directors certified by the auditors and a certificate from the Managing Director that fit and proper criteria in selection of directors have been followed.	Yes
7.	The Company is required to submit an annual certificate from its statutory auditors regarding compliance with the requirements of RBI extant CIC Master Directions within a period of one month from the date of finalisation of the balance-sheet of the Company	Yes
8.	The Company need to submit the statutory auditors Statement of Foreign Direct Investments of the Company twice on a half yearly basis	Yes

(2) Governance Issues

The Company shall require prior written permission of the Bank for the following:

- a) any takeover or acquisition of control of the Company, which may or may not result in change of management;
- b) any change in the shareholding of the Company, including progressive increases over time, which results in acquisition / transfer of shareholding of 26 per cent or more of the paid up equity capital of the CIC.

Provided that prior approval from the RBI shall not be required in case of change in shareholding going beyond 26% due to buyback of shares / reduction in capital where it has an approval of a competent Court. The same is to be reported to the RBI not later than one month from its occurrence;

- c) any change in the management of the CIC which results in change in more than 30 per cent of the directors, excluding independent directors.

Provided that prior approval shall not be required in case of directors who get re-elected on retirement by rotation.

- The Company shall continue to inform the Bank regarding any change in their directors / management not later than one month from the occurrence of any change.

- The Company shall submit an application to the Regional Office of the DNBS, RBI, Bangalore for obtaining prior approval of the RBI along with the documents as mentioned in the master directions.

(ii) Applications in this regard shall be submitted to the Regional Office of the Department of Non-Banking Supervision, Bangalore in whose jurisdiction the Registered Office of the Company is located.

Fit and Proper' Criteria for Directors

- The Company to undertake a 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 his / her qualification, expertise, track record, integrity and other 'fit and proper' criteria.
- The Company shall obtain necessary information and declaration from the proposed / existing directors for the purpose in the format as prescribed by the RBI.
- The process of due diligence shall be undertaken by the Company both at the time of appointment and re-appointment.
- The Nomination and Remuneration Committee of the Board to scrutinize the declarations.
- Based on the information provided in the signed declaration, Nomination Committees shall decide on the acceptance or otherwise of the directors, where considered necessary.
- As on March 31, the shall annually obtain a simple declaration from the directors that the information already provided has not undergone change and where there is any change, requisite details are furnished by them forthwith.
- The Board of the Company to ensure in public interest that the nominated/ elected directors execute the deeds of covenants in the format provided by the RBI.

Raising Money through Private Placement of Debentures etc. by CIC-ND-SI

The Company shall follow the RBI guidelines on private placement of Non-Convertible Debentures (NCDs) for compliance. It may be noted that the provisions of Companies Act, 2013 and Rules issued there under shall be applicable wherever not contradictory.

Ratings

The Company can also issue financial products like Commercial Paper, Debentures etc. to which rating is assigned by rating agencies. The ratings assigned to such products may undergo changes for various reasons ascribed to by the rating agencies. The Company shall furnish the information about downgrading / upgrading of its rating of any financial product, within fifteen days of such a change in rating, to the Bangalore Regional Office, RBI.

D. BOARD OF DIRECTORS AND LIMIT ON DIRECTORSHIPS AND COMMITTEE MEMBERSHIPS

The Board of Directors along with its Committees shall provide leadership and guidance to the Company's management and direct, supervise and control the performance of the Company.

As per the Company's Articles of Association, the Board's strength is required to be a minimum of three directors and a maximum of fifteen directors. The Board shall meet a minimum of four (4) times in a year, at least once in each quarter in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board. As per the SEBI Listing Regulations, the board of directors of the top 2000 listed entities shall comprise of not less than six directors and since the Company falls under this list, it need to have six directors. In case the strength of Board reduces below six directors, the Company should restore the strength back to six or more within 3 months.

The quorum for every meeting of the board of directors of the Company shall be one-third of its total strength or three directors, whichever is higher, including at least one independent director; the participation of the directors by video conferencing or by other audio-visual means shall also be counted for the purposes of such quorum.

The Board has a vital role to play in the matters relating to policy formulation, implementation and strategic issues which are crucial for the long term development of the organization.

In Compliance with Section 165 of the Companies Act, 2013 ('the Act'), a director shall not hold the office of a director in more than 20 companies. Provided that the maximum number of public companies in which a person can be appointed as a director shall not exceed 10. However, as required under the newly inserted Regulation 17A of SEBI Listing Regulations, a person shall not be a director in more than seven listed entities with effect from April 1, 2020. Further, a person shall not serve as an independent director in more than seven listed entities.

The Board of Directors of the company shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty percent of the Board of Directors should comprise of non-executive directors. Where the Chairman of the Board is a non-executive director, at least one-third of the Board should comprise of independent directors and in case the company does not have a regular non-executive Chairman, at least half of the Board should comprise of independent directors. Provided that where the regular non-executive Chairman is a promoter of the company or is related to any promoter or person occupying management positions at the Board level or at one level below the Board, at least one-half of the Board of the company shall consist of independent directors.

A director shall not be a member in more than ten committees or act as Chairman of more than five committees across all companies in which he is a director. Furthermore, every director shall inform the company about the committee positions he occupies in other companies and notify changes as and when they take place. For the purpose of considering the limit of the committees on which a director can serve, all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 shall be excluded. For the purpose of reckoning the limit under this sub-clause, Chairmanship / membership of the Audit Committee and the Stakeholders' Relationship Committee alone shall be considered.

The Board shall periodically review Compliance Reports of all laws applicable to the Company prepared by the Company as well as steps taken by the Company to rectify instances of noncompliance.

The current Board of Ujjivan comprises of 6 (Six) directors, including 4 (Four) independent directors and 2 (Two) Non-Executive, Non-Independent directors. The Chairman of the Board is a Non-Executive, Non-Independent Director.

E. SUBSIDIARY COMPANY

The material subsidiary of the Company 'Ujjivan Small Finance Bank Limited' got listed at NSE and BSE on December 12, 2019 and hence ceased to be a material non-listed subsidiary of the Company and hence sharing of information and minutes as prescribed under Regulation 24 of SEBI LODR isn't applicable w.e.f. December 12, 2019. However, it continues to be a material subsidiary.

Further, UFSL shall not dispose of its shares in USFB to less than 50% or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting except in case of a court approved scheme etc. Also UFSL cannot sell, dispose and lease the assets amounting to more than 20% of the assets of USFB on an aggregate basis during a financial year without prior approval of shareholders by way of special resolution.

F. DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

In accordance with the provisions of Section 166 of the Companies Act, 2013 and as a matter of corporate governance, the directors of the Company have the following duties:-

- (1) A director of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
- (2) A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (3) A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- (4) A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
- (5) A director of a company shall not assign his office and any assignment so made shall be void.

G. MINIMUM INFORMATION TO BE PLACED BEFORE THE BOARD

- (1) Annual operating plans and budgets and any updates.
- (2) Capital budgets and any updates.
- (3) Quarterly results for the listed entity and its operating divisions or business segments.
- (4) Minutes of meetings of audit committee and other committees of the board of directors.
- (5) The information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
- (6) Show cause, demand, prosecution notices and penalty notices, which are materially important.
- (7) Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- (8) Any material default in financial obligations to and by the listed entity, or substantial non-payment for goods sold by the listed entity.
- (9) Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the listed entity or taken an adverse view regarding another enterprise that may have negative implications on the listed entity.
- (10) Details of any joint venture or collaboration agreement.
- (11) Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- (12) Significant HR matters and proposed interventions and suggestions. Overall Remuneration policy / philosophy and significant changes and initiatives therein during the year.
- (13) Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
- (14) Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- (15) Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
- (16) The progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the Company;
- (17) Conformity with corporate governance standards viz., in composition of various committees, their role and functions, periodicity of the meetings and compliance with coverage and review functions, etc.

H. CODE OF CONDUCT

The Company has a code of conduct for all Board members and senior management of the company. The code of conduct has already been posted on the website of the company. All Board members and senior management personnel shall affirm compliance with the code on an annual basis. The Annual Report of the company shall contain a declaration to this effect signed by the CEO/CFO.

I. CEO/CFO CERTIFICATION

The CEO and the CFO shall make the necessary certifications regarding the Financial Statements, internal controls, etc. to the Board as required under the SEBI Regulations.

J. COMPLIANCE OFFICER

The Company Secretary shall be the Compliance Officer of the Company.

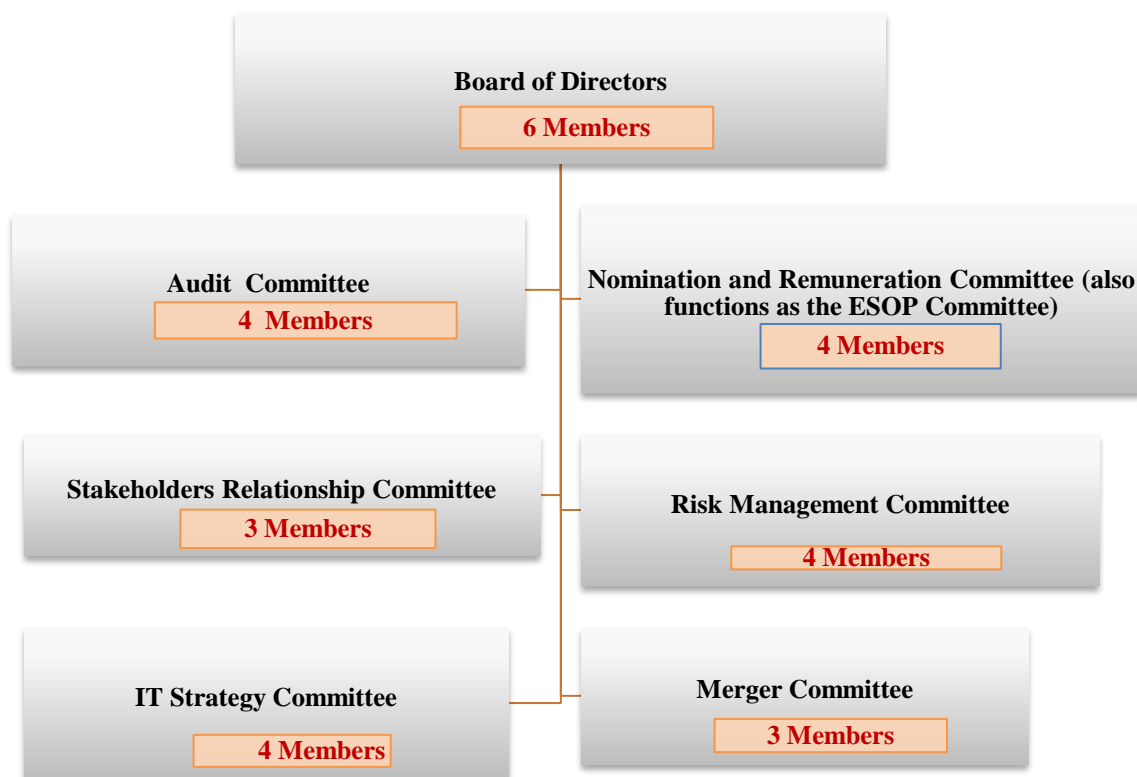
K. COMMITTEES OF THE BOARD

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. The Committees shall operate as empowered agents of the Board as per their Charter / terms of reference.

In compliance with the applicable provisions of the Act, SEBI regulations and RBI Master Directions, the Company has constituted the Board level Committees viz Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee and IT Strategy Committee. Effective Nov 15, 2021, the Company has dissolved its CSR Committee on account of reduced CSR liability of the Company which is significantly lower than the threshold of Rs. 50 lacs and that the Board of the Company will directly oversee the functions of the CSR committee.

The terms of reference, roles and responsibilities of the aforesaid Committees will be further aligned based on the changes in the regulations and business requirements with the approval of Board. Ujjivan complies with the above requirements of committee constitution and have the following committees of the Board:

A pictorial representation of Board Committees of Ujjivan is given below:



Approved Composition of all the Board Committees of the Company (updated as on February 11, 2022)

Sr. No.	Committee	Current Members
1.	Audit Committee	1. Mr. Sunil Vinayak Patel (Independent) – Chairman 2. Mr. K.R. Ramamoorthy (Independent) 3. Ms. Mona Kachhwaha (Independent) 4. Mr. Samit Ghosh
2.	Nomination and Remuneration Committee	1. Mr. Sunil Patel (Independent) – Chairman 2. Mr. K. R. Ramamoorthy (Independent) 3. Mr. Samit Ghosh 4. Mr. Renzo Viegas
3.	Stakeholders Relationship Committee	1. Mr. K.R. Ramamoorthy (Independent) – Chairman 2. Ms. Mona Kachhwaha (Independent) 3. Mr. Sunil Vinayak Patel (Independent)
4.	Risk Management Committee	1. Mr. K.R. Ramamoorthy (Independent) – Chairman 2. Mr. Sunil Vinayak Patel (Independent) 3. Mr. Samit Ghosh 4. Mr. Narayan Anand
5.	IT Strategy Committee	1. Mr. Sunil Vinayak Patel (Independent) – Chairman 2. Mr. Anand Narayan 3. Mr. Samit Ghosh 4. Mr. Renzo Viegas
	Merger Committee	1. Mr. Sunil Vinayak Patel (Independent) – Chairman 2. Ms. Mona Kachhwaha (Independent) 3. Mr. Narayan Anand

1. AUDIT COMMITTEE

The Company has in place the Audit Committee in accordance with the provisions of Section 177 of the Companies Act, 2013 and RBI guidelines on Corporate Governance.

Chairman	The Chairman of the Audit Committee shall be an Independent Director and who is elected by the members of the Audit Committee.
Composition	<p>The Audit Committee shall consist of a minimum of three directors with not less than 2/3rd members being independent directors.</p> <p>All members of the Audit Committee shall be financially literate and at least one member shall have accounting or related financial management expertise.</p> <p>The Audit Committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the Committee, but on occasions it may also</p>

	meet without the presence of any executives of the Company.
Secretary	The Company Secretary of the Company shall act as the Secretary to the Committee.
Meetings and Quorum	<p>The Audit Committee shall meet at least four times in a year and not more than four months shall elapse between two meetings.</p> <p>The quorum shall be either two members or one third of the members of the Audit Committee whichever is greater, but there should be a minimum of two Independent members present.</p>
Terms of reference	<p>The Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall inter alia, include</p> <ol style="list-style-type: none"> (1) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible; (2) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity; (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors; (4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to: <ol style="list-style-type: none"> a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013; b) changes, if any, in accounting policies and practices and reasons for the same; c) major accounting entries involving estimates based on the exercise of judgment by management; d) significant adjustments made in the financial statements arising out of audit findings; e) compliance with listing and other legal requirements relating to financial statements; f) disclosure of any related party transactions; g) modified opinion(s) in the draft audit report; (5) reviewing, with the management, the quarterly financial statements before submission to the board for approval; (6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter; (7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process; (8) approval or any subsequent modification of transactions of the listed entity with related parties; (9) scrutiny of inter-corporate loans and investments;

	<p>(10) valuation of undertakings or assets of the listed entity, wherever it is necessary;</p> <p>(11) evaluation of internal financial controls and risk management systems;</p> <p>(12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;</p> <p>(13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;</p> <p>(14) discussion with internal auditors of any significant findings and follow up there on;</p> <p>(15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;</p> <p>(16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;</p> <p>(17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;</p> <p>(18) to review the functioning of the whistle blower mechanism;</p> <p>(19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;</p> <p>(20) The Audit Committee must ensure that an Information System Audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the Company.</p> <p>(21) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision</p> <p>(22) Carrying out any other function as is mentioned in the terms of reference of the audit committee.</p> <p>The audit committee shall mandatorily review the following information:</p> <p>(1) management discussion and analysis of financial condition and results of operations;</p> <p>(2) statement of significant related party transactions (as defined by the audit committee), submitted by management;</p> <p>(3) management letters / letters of internal control weaknesses issued by the statutory auditors;</p> <p>(4) internal audit reports relating to internal control weaknesses; and</p> <p>(5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.</p> <p>(6) statement of deviations:</p> <p>(a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (LODR) Regulations, 2015.</p>
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	(b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of SEBI (LODR) Regulations, 2015.
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2. GOVERNANCE, NOMINATION AND REMUNERATION COMMITTEE (NOMINATION COMMITTEE)

The Company has in place the Governance, Nomination and Remuneration Committee in accordance with the provisions of Section 178 of the Companies Act, 2013 and the rules made there under and in compliance with RBI guidelines on Corporate Governance.

Chairman	The Chairman of the Committee shall be an Independent Director. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
Composition	The Committee shall consist of a minimum 3 non-executive directors, out of which not less than one-half shall be independent directors; Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
Secretary	The Company Secretary of the Company shall act as the Secretary to the Committee.
Meetings and Quorum	<ul style="list-style-type: none"> i. The Committee shall meet at least once in a year. ii. The quorum shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance iii. Chairman of the Committee or in his absence, any other member of the Committee authorised by him shall attend the General Meetings of the Company.
Terms of reference	<ul style="list-style-type: none"> 1) To formulate a criteria for determining qualifications, positive attributes and independence of a Director. 2) To ensure 'fit and proper' status of proposed/ existing Directors 3) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal. 4) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors. 5) To recommend to the Board the appointment and removal of Senior Management 6) Recommend to the board, all remuneration, in whatever form, payable to senior management 7) To carry out evaluation of Director's performance and recommend

	<p>to the Board appointment / removal based on his / her performance.</p> <p>8) To recommend to the Board on (i) policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management and (ii) Executive Directors remuneration and incentive.</p> <p>9) To make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;</p> <p>10) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks,</p> <p>11) To devise a policy on Board diversity;</p> <p>12) To develop a succession plan for the Board and to regularly review the plan;</p> <p>13) To also act as the ESOP committee for the purposes of SEBI (Share Based Employee Benefits) Regulations 2014 and administer and manage the ESOP Schemes</p>
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3. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board has constituted a new committee of the Board by the name of “Stakeholders Relationship Committee” for the purpose of addressing the stakeholders’ related matters, grievances and allotment of shares pursuant to the exercise of vested options.

Composition	The Committee shall consist of three or more directors with at least one being an independent director.
Secretary	The Company Secretary of the Company shall act as the Secretary to the Committee.
Meetings and Quorum	<p>The Committee shall meet as and when required with at least one meeting every financial year.</p> <p>The quorum shall be at least two Directors.</p>
Terms of reference	<p>(1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.</p> <p>(2) Review of measures taken for effective exercise of voting rights by shareholders.</p> <p>(3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.</p> <p>(4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.</p> <p>(5) To perform all functions relating to the interests of security holders of the Company and as assigned by the Board, as may be required by</p>

	<p>the provisions of the Companies Act, 2013 and Rules made thereunder, Listing Agreements with the Stock Exchanges and guidelines issued by the SEBI or any other regulatory authority.</p> <p>(6) Allotment of shares to the employees or ex-employees on exercise of stock options granted and vested under the various Employees Stock Option Schemes.</p>
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4. RISK MANAGEMENT COMMITTEE

The Board has constituted the Risk Management Committee in compliance to Regulation 21(5) of SEBI Listing Regulations which mandates top 500 listed companies to constitute this committee of the Board. This also meets the RBI requirement for the Company to have a Board Risk Management Committee.

Composition	The Committee shall consist of three or more directors.
Secretary	The Company Secretary of the Company shall act as the Secretary to the Committee.
Meetings and Quorum	<p>The Committee shall meet at least twice in a year. The meetings shall be conducted in such a manner that on a continuous basis not more than one hundred and eighty days shall elapse between any two consecutive meetings.</p> <p>The quorum shall be either two members or one third of the members of the committee, whichever is higher, including at least one member of the board of directors in attendance.</p>
Terms of reference	<p>a) Develop a framework for identification of internal and external risks specifically faced by the Company and its subsidiary Ujjivan Small Finance Bank, in particular, including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.</p> <p>b) Initiate appropriate measures for risk mitigation including developing suitable systems and processes for identification and remediation/mitigation of identified risks.</p> <p>c) Develop suitable Business continuity plan.</p> <p>d) Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;</p> <p>e) Undertake review of the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;</p> <p>f) Apprise the Board of directors of the nature and content of its discussions and the recommendations of the Risk Management Committee and actions to be taken;</p>

5. IT STRATEGY COMMITTEE

The IT Strategy Committee has been constituted as required by RBI Master Directions on IT framework.

Composition	The Committee shall consist of minimum three directors.
Secretary	The Company Secretary of the Company shall act as the Secretary.

Frequency, Quorum and other requirements	<ul style="list-style-type: none"> - Chairman of the committee shall be an independent director and CIO & CTO, if appointed or nominated should be a part of the committee. - Committee should meet at an appropriate frequency but not more than six months should elapse between two meetings. - Committee shall work in partnership with other Board committees and Senior Management to provide input to them. - The quorum shall be at least two Directors. <p><i>* IT head and COO of Ujjivan Small Finance Bank Limited may be invited as special invitees on request for any critical matters.</i></p>
Terms of reference	<ul style="list-style-type: none"> - Reviewing and approving IT related policy documents - Reviewing the existing MOU with Ujjivan Small Finance Bank Limited wherein the Company has agreed to avail IT related services at an arm's length basis. - To carry out 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.

6. MERGER COMMITTEE

The Board has constituted a new committee of the Board by the name of "Merger Committee" w.e.f February 12, 2022 for the purpose of the Scheme of Amalgamation ("Scheme") between Ujjivan Financial Services Limited ("Company") and Ujjivan Small Finance Bank Limited ("Bank")

Composition	The Committee shall consist of three or more directors with at least one being an independent director.
Secretary	The Company Secretary of the Company shall act as the Secretary to the Committee.
Meetings and Quorum	The Committee shall meet as and when required with at least one meeting every financial year. The quorum shall be at least two Directors.
Terms of reference	<ul style="list-style-type: none"> - Review the progress of merger and make suggestions to the Board with respect the proposed reverse merger of the Company into and with Ujjivan Small Finance Bank Limited ("Bank") - To evaluate matters which may have a bearing on the proposed merger. - Consider appropriate consulting support and review relevant contracts for appointment (e.g. due diligence, legal support etc.);