



**BOBCARD LIMITED**

**(Formerly known as BOB Financial Solutions Limited)**

## **Corporate Governance Guidelines**

**(Approved by Board in meeting held on 03<sup>rd</sup> May, 2024 Agenda Item No 149/6D)**

### Document Information

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### Revision History

<b>Sr. No.</b>	<b>Version No.</b>	<b>Addition in the Policy</b>
1	1.0	New Policy
2	2.0	Amended the list of Policies

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## GUIDELINES ON CORPORATE GOVERNANCE

### 1. Preamble and Company's philosophy on Corporate Governance:

BOBCARD LIMITED (Formerly known as BOB Financial Solutions Limited) (*"the Company"*) is a wholly owned subsidiary of Bank of Baroda and is registered with the Reserve Bank of India ("RBI"). It is the Company's endeavour to excel through better Corporate Governance and fair and transparent practices. Corporate Governance means the system of rules, practices and processes by which a company is administered and controlled. It involves balancing the interests of the various stakeholders of the company including shareholders, employees, customers and the community within which it operates. These corporate governance guidelines will help the Company in attaining its objectives/goals, since it encompasses every sphere of operations, management, action plans, internal controls and regulatory disclosure.

### 2. RBI Guidelines on Corporate Governance:

RBI vide its Master Circular no. RBI/2015-16/12 DNBR (PD) CC.No.053/03.10.119/2015-16 dated July 1, 2015 ("RBI circular") as amended from time to time directed NBFCs to frame internal guidelines on corporate governance which is to be approved by its Board of Directors.

### 3. Governance Structure:

#### a. Board of Directors:

The Board of Directors ("the Board") along with its Committees shall provide leadership and guidance to the Company's Management and direct, supervise and control the performance of the Company. The Board of the Company shall have an optimum combination of Executive and Non- Executive directors in compliance with the Companies Act, 2013 and other applicable regulatory guidelines.

#### b. Code of Conduct:

The Company has framed a Code of Conduct for Directors, Key Managerial Personnel and Senior Management Personnel. All Non-Executive Directors on the Board of the Company shall ensure compliance with the same.

#### c. Committees of the Board:

The Board functions collectively and also through its various Committees constituted to oversee specific areas. The Committees have oversight of operational issues assigned to them by the Board. Accordingly, the core Committees constituted by the Board in this connection are as follows:

##### i. Audit and Risk Management Committee (ARMC):

The Company has constituted ARMC under the provisions of Section 177 of the Companies Act, 2013, Rules made thereunder and in terms of applicable RBI guidelines in this regard. The ARMC shall have the powers and duties conferred upon it in compliance with the provisions of Section 177 of the Act, applicable RBI guidelines and such other duties, obligations and powers as may be prescribed by the Board from time to time and is responsible for managing, inter alia the integrated risk which includes liquidity risk, interest rate risk, currency risk and such other functions as may be assigned to it by the Board of the Company. Further, the ARMC shall ensure that progressive risk management system and risk management policy and strategy followed by the Company are put in place. The Company shall present a quarterly investment and borrowing plan before the ARMC in its meeting. The Company shall also update its applicable credit rating to the ARMC on an annual basis.

The ARMC shall be review the following indicative list of policies (including but not limited to) and making suitable recommendations for the approval of the Board:

Sr No	Name of the Policy
1	- Merchant Operations Policy
2	- Investment Policy
3	- KYC AML Policy
4	- Fair Practice Code - Credit Cards
5	- Risk Management Policy
6	- Customer Service Policy
7	- Credit Card Policy
8	- Recovery Policy
9	- Outsourcing of Financial Services Policy
10	- Procurement Policy
11	- Compliance Policy
12	- Corporate Governance Guidelines
13	- Policy on Preservation of Documents
14	- Policy on Related Party Transactions
15	- Customer Protection Policy /Liability Policy
16	- Fraud Monitoring Policy
17	- Asset Impairment Policy
18	- Code of Conduct for Directors, KMPs & Senior Management Personnel
19	- Whistle-blower Policy
20	- Insider Trading Policy
21	- IT outsourcing Policy
22	- ICAAP Policy
23	- CSR Policy
24	- Accounting Policy
25	- Social Media Policy
26	- BCP Policy
27	- Fixed Asset Management Policy
28	- Vigilance Policy
29	- Asset Liability Management Policy
30	- Issuer Chargeback Write Back Policy
31	- Policy on Fit & Proper criteria of Directors
32	- IS Audit Framework
33	- Information Security Policy
34	- Co-brand Credit Card Policy
35	- Empanelment of DSA for Credit Card
36	- Cyber Crisis Management Plan
38	- Cyber Security & Resilience Framework

**ii. HR & Nomination and Remuneration Committee (HRNRC):**

The Company has constituted the HRNRC in compliance with the provisions of Section 178 of the Companies Act, 2013 and the same is in conformity with the RBI guidelines issued in this regard from time to time. The HRNRC shall have the powers and duties conferred upon it in compliance with the provisions of Section 178 of the Act, applicable RBI guidelines and such other duties, obligations and powers as may be prescribed by the Board of the Company from time to time.

The HRNRC shall be review the following indicative list of policies and making suitable recommendations for the approval of the Board:

Sr No	Name of the Policy
1	- Human Resources (HR) Policy/Manual

**iii. Asset-Liability Management Committee (ALCO)**

The Company shall put in place the ALCO to be constituted in accordance with the RBI guidelines. The ALCO's primary goal shall be to evaluate, monitor and approve practices relating to risk due to imbalances in the capital structure. The Company shall put a Board approved Asset Liability Management Policy in place and required disclosures shall be made to that effect from time to time.

**iv. Corporate Social Responsibility (CSR) Committee**

The Company has also constituted the Corporate Social Responsibility (CSR) Committee in accordance with section 135 of the Companies Act, 2013. The CSR Committee shall be responsible for reviewing, amongst other things, the CSR Policy of the Company and making suitable recommendations for the approval of the Board:

**e. Vigil Mechanism:**

Pursuant to Rule 7 of the Companies (Meetings of Board and its Powers) Rules 2014 read with Section 177(9) of the Act, the Company has framed and adopted Vigil Mechanism Framework (“the framework”) to enable directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct. The objective of this mechanism is to maintain a redressal system which can process all complaints concerning questionable accounting practices, internal controls, or fraudulent reporting of financial information.

**f. Disclosure and Transparency:**

- a) The Company shall update the Board of Directors on annual basis or such other frequency as decided by the Board, the following:
  - The progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the Company;
  - 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.

- b) The following shall be disclosed in the Company's Annual Financial Statements:
- registration/ license/ authorization, by whatever name called, obtained from other financial sector regulators;
  - ratings assigned by credit rating agencies and migration of ratings during the year;
  - penalties, if any, levied by any regulator;
  - information namely, area, country of operation and joint venture partners with regard to Joint ventures and overseas subsidiaries; and
  - asset-liability profile, extent of financing of parent company products, NPAs and movement of NPAs, details of all off-balance sheet exposures, structured products issued by the Company as also securitization/ assignment transactions and other disclosures, as may be prescribed by RBI from time to time.
- c) The Company shall put up for noting / confirmation / ratification the administrative/operational powers exercised by the Managing Director in each Board Meeting.
- d) The Company shall put up a statutory declaration that the Company will not accept deposits from the public in accordance with applicable laws / guidelines.

**g. Auditors:**

The appointment of auditors shall be in terms of the provisions of Section 139 and 141 of the Companies Act, 2013 and in accordance with the applicable RBI guidelines as amended from time to time and shall not exceed a term of 3 years with a cooling period of 3 years before re-appointment.

**4. Review:**

The policy shall be reviewed after one year from the date of approval or regulatory change/amendment, whichever is earlier and it shall continue to be in force till the reviewed policy comes into place.