

TATA CLEANTECH CAPITAL LIMITED

GUIDELINES ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company 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. As part of the Tata Group, the Company's philosophy on Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance practices.

The Corporate Governance philosophy has been strengthened with the implementation by the Company of the Tata Code of Conduct applicable to the Company and its employees. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors. Both these codes are available on the Company's website.

At the Meeting of the Board of Directors of the Company held on February 16, 2015, the Directors approved and adopted the Governance Guidelines for Board Effectiveness ("Guidelines"). These Guidelines are based on the Tata Group's deep belief in values, ethical conduct of business, commitment to social responsibility, respect for all stakeholders and sound corporate governance practices. The same are based on current and emerging best practices from both within and outside Tata companies and have been prepared keeping in view the provisions of the Companies Act, 2013 ("Act").

RBI GUIDELINES ON CORPORATE GOVERNANCE

In order to enable NBFCs to adopt best practices and greater transparency in their operations, RBI had, on May 8, 2007 and July 11, 2007, issued guidelines on Corporate Governance. In pursuance of the aforesaid Guidelines, the Company had framed the following internal Guidelines on Corporate Governance. Further, RBI vide Circular No. RBI/2014-15/299 DNBR (PD) CC No. 002/03.10.001/2014-15 dated November 10, 2014, made certain amendments to the Guidelines issued earlier. The Guidelines on Corporate Governance are being amended to give effect to the Governance Guidelines issued by Tata Sons Limited and amended framework as contained in the recently issued RBI Circular.

BOARD OF DIRECTORS

The Board of Directors alongwith 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 to a maximum of nine directors.

The Board of Directors of the Company shall have an optimum combination of Executive, Non-Executive, Independent and Woman Directors, as per the Guidelines / Regulations applicable to the Company.

A Director shall not hold the office of Director in more than 20 companies and the maximum number of directorships in public companies shall not be more than 10. None of the Directors on the Company's Board shall be a Member of more than 10 Board Committees and Chairman of more than 5 Board Committees (Committees being Audit Committee and Stakeholders Relationship Committee) across all companies in which they are Directors. All the Directors shall make the necessary annual disclosure regarding their change in concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including shareholding, directorships and committee positions and shall intimate changes as and when they take place.

The Directors shall act in accordance with the duties as provided under the Act and the Independent Directors shall abide by the Code for Independent Directors under Schedule IV of the Act.

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 non-compliance.

BOARD MEETINGS

Meetings of the Board of Directors shall be held atleast four times a year, such that not more than one hundred and twenty days shall intervene between two consecutive meetings.

CODE OF CONDUCT

The Company shall adopt the Tata Code of Conduct for its employees including the Managing Director and a Code of Conduct for its Non-Executive Directors and Independent Directors. The same shall be posted on the Company's web-site.

COMMITTEES OF THE BOARD

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board shall constitute 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. The minutes of the meetings of all Committees of the Board shall be placed before the Board for discussions / noting.

Details of the various Committees are as under:

1. Audit Committee

The Audit Committee shall function as per the Audit Committee Charter (Annexure – A)

2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall function as per the Nomination and Remuneration Committee Charter (Annexure – B)

3. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee shall function as per the Corporate Social Responsibility Committee Charter (Annexure – C)

4. Risk Management Committee

The Risk Management Committee shall function as per the Risk Management Committee Charter (Annexure – D)

5. Finance and Asset Liability Supervisory Committee

The Finance and Asset Liability Supervisory Committee shall function as per the Finance and Asset Liability Supervisory Committee Charter (Annexure – E)

6. Investment Credit Committee

The Investment Credit Committee shall function as per the Investment Credit Committee Charter (Annexure – F)

7. Information Technology Strategy Committee

The Information Technology Strategy Committee shall function as per the Investment Credit Committee Charter (Annexure – G)

SHAREHOLDERS

Shareholders shall be informed of details regarding the appointment or re-appointment of a Director.

DISCLOSURES

The Company shall make the disclosures required to be made under the Companies Act, 2013 and the Rules framed there under, the RBI Guidelines and such other laws and regulations as may be applicable to the Company.

CEO/CFO CERTIFICATION

The CEO i.e. the Manager and the CFO shall make the necessary certifications regarding the Financial Statements, internal controls, etc. to the Board.

COMPLIANCE OFFICER

The Board of Directors shall designate a Compliance Officer to ensure compliance with applicable laws.

POLICIES ADOPTED BY THE COMPANY

The Company shall adopt such policies, as may be required to adopt under the Companies Act, 2013, the RBI Guidelines applicable to the company, and such other laws and regulations as may be applicable.

The policies adopted may be reviewed by the Board from time to time.

Tata Cleantech Capital Limited - Board Audit Committee Charter

The role of the Audit Committee shall flow directly from the Board of Director's oversight function on corporate governance which holds the Management accountable to the Board and the Board accountable to the shareholders. Acting as a catalyst in helping the Company achieve its objectives, the Audit Committee's review function will include the financial reporting process, the system of internal financial controls, the audit process, the Company's process for monitoring compliance with laws and regulations and the Code of Conduct.

Authority

The Audit Committee shall act and have powers in accordance with the terms of reference which shall include the following:

- To investigate any activity within its terms of reference
- To seek information from any employee
- To obtain outside legal or other professional advice
- To secure attendance of outsiders with relevant expertise, if it considers it to be necessary
- To have full access to information contained in the records of the Company

Composition

- The Audit Committee shall have minimum three Members, all being Non-executive Directors, of which the majority shall be Independent Directors.
- All Members of the Audit Committee shall be financially literate and at least one Member shall have accounting or related financial management expertise.
- The Members of the Audit Committee shall elect a Chairperson from amongst themselves, who shall necessarily be an Independent Director.
- The Chairperson of the Audit Committee or in his/her absence, any other Member of the Committee, so authorised by him/her on his/her behalf shall attend the general meetings of the Company, in accordance with the provisions of the applicable laws.
- The Company Secretary shall act as Secretary to the Audit Committee Meetings.

Meetings

- The Audit Committee shall meet periodically, but at least 4 times a year and not more than 120 days shall elapse between two successive Meetings.
- One Meeting shall be held before the annual accounts and quarterly/ half yearly accounts are presented to the Board.
- The quorum for Meetings of the Audit Committee shall be either two Members or one-third of the Members of the Audit Committee, whichever is higher including one Independent Director.
- The Chief Financial Officer, Internal Auditor and a Representative of the External (Independent) Auditors should be requested to be present as invitees for the Meetings of the Audit Committee. However, such persons shall not have the right to vote.
- The Audit Committee may invite such of the executives, as it considers appropriate (particularly, the Head of the Finance Function), to be present at the Meetings of the Audit Committee. Such persons shall not have the right to vote. On occasions considered necessary, the Audit Committee may also meet without the presence of any executive of the Company.
- The Auditors of the Company and the Key Managerial Personnel shall have a right to be heard at the Meetings of the Audit Committee when it considers the Auditors' Report but they shall not have the right to vote.

Responsibilities

The Audit Committee shall have discussions with the Auditors periodically about internal financial control systems, the nature and scope of audit including the observations of the Auditors and review the half yearly and annual financial statements before submission to the Board and recommend the same to the Board for its consideration and also oversee compliance of internal financial control systems. In addition, the responsibilities of the Audit Committee shall include the following:

Financial Statements

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are true, fair sufficient and credible.
- Reviewing with the Management the Annual Financial Statements and the Auditors' Report thereon before submission to the Board, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement in the Board's Report in terms of sub-section (5) of Section 134 of the Companies Act, 2013
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on exercise of judgment by the Management
 - Modified opinion(s) in the draft Auditors' Report, if any
 - Significant adjustments made in the financial statements arising out of audit findings
 - The going concern assumption
 - Compliance with Accounting Standards
 - Compliance with the requirements of the stock exchanges, if applicable, and legal requirements concerning financial statements
 - Scrutiny of inter-corporate loans and investments
 - Disclosure of contingent liabilities
 - Any related party transactions as per the relevant Accounting Standards and the Companies Act, 2013
 - The effect of regulatory and accounting initiatives as well as off- balance-sheet structures, on the financial statements.
 - Company's press releases, as well as financial information and earnings guidance, if any, provided to analysts and rating agencies.
 - Reviewing and evaluating the Company's financial and risk management policies and risk management systems.

Review and Examination of Information

- Internal audit reports relating to internal control weaknesses.
- Financial Statements and draft Auditors' Report thereon, including the draft limited review report of the Auditors.
- Management Discussion and Analysis of financial condition and results of operations.
- Reports relating to risk management and compliance with applicable laws.
- Management letters / letters of internal control weaknesses issued by the Statutory / Internal Auditors.

Internal Control

- Evaluation of the internal financial controls, accounting policies, etc. with the Management, external and internal Auditors, and to review the adequacy of internal financial control systems.

Internal Audit

- Reviewing the Internal Audit Report and action taken thereon.
- Reviewing the adequacy of the internal audit function, including the Internal Audit Charter, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.

- The Head – Internal Audit shall have a direct and independent line of reporting to the Audit Committee and administratively to the Managing Director.
- Reviewing the appointment, removal and terms of remuneration of the Head - Internal Audit.
- Discussing with the Internal Auditor any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations carried out by the Internal Auditor 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.
- Reviewing and monitoring the performance and effectiveness of the Internal Audit process.
- Conducting Information Systems Audit of the internal systems and processes atleast once in two years to assess operational risks.
- Appointment of Auditors to undertake such audits as may be directed by the Audit Committee of the Holding Company / Audit Committee of the Company / law / Board, from time to time.
- The Head – Internal Audit with the Chief Internal Auditor shall meet the Audit Committee of the Board without the presence of Management once in every financial year.

External Audit

- Recommending to the Board the appointment / re-appointment and removal / replacement of the Statutory (External) Auditors, fixation of the remuneration and terms of appointment of the Auditors and also approval for payment for any other services rendered by the Auditors, as permitted by law. While considering the appointment of the Statutory auditor the committee shall consider any order or pending proceeding relating to professional matters of conduct against the proposed auditor before the Institute of Chartered Accountants of India or any other competent authority or any Court.
- Discussing with the Statutory Auditors before the audit commences, the nature and scope of audit as well as post-audit discussion to ascertain any areas of concern.
- Reviewing and monitoring the Auditors’ independence and performance and the effectiveness of the audit process.

Subsidiary companies

- The Audit Committee may recommend the adoption of policies, procedures and processes laid down by it to the Audit Committee of its subsidiaries. Further, the Audit Committee may review the critical issues that may be referred by the Audit Committees of material subsidiaries to the Audit Committee of the Company.
- Reviewing the financial statements of the subsidiaries, in particular the investments made by the subsidiary companies.
- Overseeing compliance with legal and regulatory requirements including the Tata Code of Conduct (“TCoC”) for the Company and by its material subsidiaries.
- Overseeing financial reporting controls and processes for material subsidiaries.

Related Party Transactions

Approval of Transactions with Related Parties or any subsequent modification thereto shall be dealt with by the Audit Committee, as under:

- All Related Party Transactions in the ordinary course of business and at arm’s length basis which are above Board approved thresholds as mentioned under ‘Framework for Related Party Transactions’ would require prior approval of the Audit Committee.
- A Statement of all Related Party Transactions in the ordinary course of business and at arm’s length basis which are below Board approved thresholds as mentioned under ‘Framework for Related Party Transactions’, will be placed before the Audit Committee for noting, on a half yearly basis.
- All Related Party Transactions which are not in the ordinary course of business or not at arm’s length basis, would require the prior approval of the Audit Committee.

The Audit Committee will have the discretion to:

- grant omnibus approval for routine Related Party Transactions
- recommend / refer any matter relating to Related Party Transaction to the Board for approval.

The following details shall be placed before the Audit Committee, on a half yearly basis, to oversee the potential conflict of interest situation:

- A statement in summary form of transactions with related parties in the ordinary course of business;
- Details of material individual transactions with related parties which are not in the normal course of business;
- Details of material individual transactions with related parties or others, which are not on arm's length basis, together with the Management's justification for the same;
- Approval of all or any subsequent modification of transactions with related parties; and
- Summary of transactions for which omnibus approval has been granted.

In case of any transaction, other than transactions referred to in Section 188 of the Companies Act, 2013, and where the Audit Committee does not approve the transaction, it shall make its recommendations to the Board.

Fraud

- All cases above Rs. 1 crore are required to be monitored and reviewed by the Audit Committee.
- Additionally, a report containing details of attempted frauds involving an amount of Rs. 25 lakh and above shall be placed before the Audit Committee of the Board for its noting.

Defaults

- Looking into the reasons for substantial defaults/delays in payments to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

Others

- Audit Committee may consider and adopt the policies, procedures and processes laid down by the Audit Committee of the Holding Company. Further, critical issues may be referred by the Audit Committee to the Audit Committee of the Holding Company.
- Recommending the appointment of Chief Financial Officer to the Nomination and Remuneration Committee / Board of Directors after assessing the qualifications, experience and background, etc. of the candidate.
- Reviewing the functioning of and compliance with the Company's Whistle Blower Policy.
- 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 utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency with regard to monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing the valuation of undertakings or assets of the Company, wherever it is necessary and the appointment of Registered Valuers.

Compliance

- Reviewing the effectiveness of the system for monitoring compliance with laws and regulations and the results of the Management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.
- Reviewing the findings of any examinations by regulatory agencies and any auditor observations.
- Reviewing the process for communicating the TCoC to Company personnel and for monitoring compliance therewith.
- Obtaining regular updates from the Management and Company legal counsel regarding compliance matters.

Reporting Responsibilities

- The Audit Committee shall recommend to the Board, the quarterly, half yearly and annual Financial Statements after the reviewing the same.
- The Audit Committee will update the Board, periodically.
- The Board's Report shall disclose the composition of the Audit Committee, brief description of the scope of the Audit Committee Charter, names of the Members and the Chairperson of the Audit Committee and brief details of Meetings and attendance at Audit Committee Meetings.
- The recommendations of the Audit Committee on any matter relating to financial management, management discussion and analysis of financial condition and result of operations after its review, including the Auditors' Report, shall be binding on the Board.
- If the Board does not accept the recommendations of the Audit Committee, it shall disclose the same in the Board's Report together with the reasons therefor.

Responsibilities under the Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices

- Setting forth the policies relating to and overseeing the implementation of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("Regulations"), as amended from time to time and the Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices ("Code");
- Taking on record such reports as may be required from the Compliance Officer under the Code; and
- Deciding penal and disciplinary action in respect of violation of the Regulations / Code.
- Reviewing compliance with the provisions of the Code, at least once in a financial year and to verify that the systems for internal control are adequate and are operating effectively.

Other Responsibilities

- Monitoring the effectiveness and reviewing the implementation of the Anti-Bribery and Anti-Corruption Policy, considering its suitability, adequacy and effectiveness.
- Performing other activities related to this Charter as may be requested by the Board of Directors.
- Carrying out additional functions as contained in any other regulatory requirements applicable to the Company or in the terms of reference of the Audit Committee.
- Instituting and overseeing special investigations as needed.
- The Chairperson of the Committee shall confirm annually to the Board that all responsibilities outlined in this Charter have been carried out.

Review of Committee Charter

- The adequacy of this Charter shall be reviewed and reassessed by the Board of Directors from time to time, as it may deem appropriate (based on changes that may be brought about due to the regulatory framework or otherwise).

Sitting Fees

- Members of the Committee shall receive such sitting fees, if any, for their services as Committee members as may be determined by the Board at its sole discretion.

Committee Evaluation

The Committee shall undergo an annual self-evaluation of its performance and report the result to the Board. Indicative areas for evaluation as part of this exercise include:

- Degree of fulfilment of key responsibilities,
- Adequacy of Committee composition,
- Effectiveness of meetings,

- Committee dynamics,
- Quality of relationship of the Committee with the Board and the Management.



Board Committee Charter

Nomination and Remuneration Committee Charter

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1. Principles and Objectives

1.1. The Nomination and Remuneration Committee ("Committee") of the Board of directors ("Board") of Tata Cleantech Capital Limited ("the Company") will report to the Board and shall:

- Support the Board in matters related to setup and composition of the Board, its Committees and the leadership team of the Company comprising Key Managerial Personnel ("KMP" as defined by the Companies Act, 2013) and the Executive team.
- Carry out the evaluation of every Director's performance and support the Board and Independent Directors, as may be required, in evaluation of the performance of the Board, its Committees and individual Directors
- Support the Board in matters related to remuneration of Directors, KMPs, Executive team and other employees.
- Extend oversight on the familiarization programme for Directors.
- Extend oversight on the HR philosophy, HR and People strategy and key HR practices.

2. Composition

2.1. The Committee shall comprise three or more Non-executive Directors, out of which, not less than one-half shall be Independent Directors.

2.2. The Chairman of the Board (whether Executive or Non-executive) may be appointed as a Member of the Committee but shall not chair the Committee.

2.3. The Chief Human Resources Officer of Tata Capital Limited may assist the Committee as required and may attend the meetings of the Committee as per requirement on invitation.

2.4. The Company Secretary of the Company shall act as the Secretary to the Committee and will be responsible for taking adequate minutes of the proceedings and reporting on actions taken in the subsequent meeting.

2.5. Representatives from Group Human Resources may attend the meetings of the Committee as per requirement on invitation.

3. Meetings

3.1. The Committee may establish an Annual Work Plan ("AWP") for each year to ensure that all relevant matters are covered by the agendas of the meetings planned for the year.

3.2. The Committee shall meet as often as needed to discuss matters. It is, however, recommended that the Committee meets at least twice during the year.

4. Authority and Power

The Committee shall have the power to:

- Investigate any matter within the scope of this Charter or as referred to it by the Board.

- Seek any information or explanation from any employee or director of the Company.
- Invite such executives, as it considers appropriate to be present at the meetings of the Committee.
- Ask for any records or documents of the Company.

The Committee may also engage (on reasonable terms acceptable to the Board and at the expense of the Company) independent consultants and other advisors and seek their advice on matters related to discharge of its responsibilities.

5. Responsibilities

The responsibilities of the Committee shall include the following:

5.1. Board Composition and Succession related:

- Recommend to the Board the setup and composition of the Board.
This shall include “*Formulation of the criteria for determining qualifications, positive attributes and independence of a director*”. This also includes periodical review of composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Support the Board in matters related to the setup, review and refresh of the Committees.
- Devise a policy on Board diversity.
- Recommend to the Board, the appointment or reappointment of Directors. For the purpose of identification of prospective Directors, the Committee may be supported by Group Human Resources.
- As NRC of the parent / holding company, recommend to the Board of the parent/ holding Company, how the Company will vote on resolution for appointment of Directors on the Boards of its material subsidiary companies.
- Recommend to the Board, the appointment of and changes in the following positions / functions, irrespective of managerial grade:
 - Chief Financial Officer
 - Company Secretary
 - Compliance Officer
 - Chief Risk Officer
 - Chief Business Officer
 - Head – Credit
 - Head – Internal Audit
- Appointment and change in the positions / functions other than above forming part of the Executive Team, who are direct reports of the Managing Director and who are in Grade M8 and above, to be approved by the Managing Director and that the Committee and the Board of Directors to be informed of the said change, subsequently.
The Committee shall consult the Audit Committee of the Board before recommending the appointment of the Chief Financial Officer (“CFO”) and the Chief Internal Auditor / Head – Internal Audit.

5.2. Evaluation related:

- Carry out the evaluation of every Director's performance and support the Board and Independent Directors, as may be required, in evaluation of the performance of the Board, its Committees and individual directors. This shall include "*Formulation of criteria for evaluation of Independent Directors and the Board.*"
- Oversee the performance review process for the KMPs and the Executive team with the view that there is an appropriate cascading of goals and targets across the Company.

5.3. Remuneration related:

- Recommend the Remuneration Policy for the Directors, KMPs, the Executive team and other employees. This includes review and recommendation of the design of annual and long term incentive plan (including deferred payment plans, equity plans, etc.) for Managing Director ("MD")/ Executive Directors ("ED"), KMPs and the Executive team. While formulating such a policy, the Committee shall ensure that:
 - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
 - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - remuneration to Directors, KMPs and the Executive team involves a balance between fixed and incentive pay reflecting short and long- term performance objectives appropriate to the working of the Company and its goals
- On an annual basis, recommend to the Board, the remuneration payable to Directors, KMPs and Executive team of the Company. This includes review and recommendation of actual payment of annual and long term incentives for MD/ EDs, KMPs and the Executive team.
- Review matters related to remuneration and benefits payable upon retirement and severance to MD/ EDs, KMPs and the Executive team.
- Review matters related to voluntary retirement and early separation schemes for the Company.
- Provide guidelines for remuneration of Directors on material subsidiaries.
- As NRC of the parent/ holding company, recommend to the Board of the parent/ holding company how the Company will vote on resolutions for remuneration of directors on the Boards of its material subsidiary companies.
- Assist the Board in fulfilling its Corporate Governance responsibilities relating to remuneration of Board, KMPs and the Executive team members. This includes review and approval of any information related to Directors, KMPs, the Executive team and their remuneration to be presented in the Annual Report

or other external communications (statutory or otherwise).

5.4. Board Development related:

- Oversee familiarization programmes for Directors.

5.5. Review of HR Strategy, Philosophy and Practices:

- Review HR and People strategy and its alignment with the business strategy periodically or when a change is made to either.
- Review the efficacy of HR practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for Board, KMPs and the Executive team).

5.6. Other functions:

- Perform other activities related to the Charter as requested by the Board, from time to time.
- Scrutinise the declarations received from the proposed / existing Directors to undertake a process of due diligence to determine the suitability of the person for appointment / continuing to hold office as a Director on the Board and decide on the acceptance or otherwise of the Directors and ensure “Fit and Proper” status of Directors at the time of appointment and on continuing basis.
- Recommend commission payable to the Directors, subject to the prescribed limits and approval of the shareholders.
- Perform such other duties and responsibilities as may be consistent with the provisions of the NRC charter.

6. Reporting

The Committee will periodically report to the Board on various matters that it has considered.

7. Committee Evaluation

The Committee shall undergo an annual self-evaluation of its performance and report the result to the Board. Indicative areas for evaluation as part of this exercise include:

- Degree of fulfilment of key responsibilities,
- Adequacy of Committee composition,
- Effectiveness of meetings,
- Committee dynamics,
- Quality of relationship of the Committee with the Board and the Management.

8. Review of Charter

The adequacy of this Charter shall be reviewed and reassessed by the Committee, periodically and appropriate recommendations shall be made to the Board to update the Charter based on the changes that may be brought about due to any regulatory framework

or otherwise.

9. Compliance with the Charter

The Chairman of the Committee shall confirm annually to the Board that all responsibilities outlined in this Charter have been carried out.

10. Subsidiary Companies (if applicable)

Subsidiary companies of the Company shall also form Nomination and Remuneration Committee, as applicable under law. The Committee shall share with its' subsidiary companies, such policies and practices as would enable the Boards and the NRCs of those companies to harmonise their policies and practices with those of the parent Company. If required, it shall also provide any assistance that such subsidiaries may require.

Notes:

1. The Executive team shall comprise:
 - a. Key Managerial Personnel, Compliance Officer, Chief Risk Officer, Chief Business Officer, Head – Credit, Head – Internal Audit, irrespective of managerial grade; and
 - b. Sales Head, who are direct reports of the Managing Director and who are in Grade M8 and above.

2. The term “material subsidiary” shall have the same meaning assigned to this phrase under the applicable law. However, if the law does not prescribe any definition, then, a subsidiary shall be considered as material if the investment of the Company in the subsidiary exceeds twenty per cent of its consolidated net worth as per the audited balance sheet of the previous financial year or if the subsidiary has generated twenty per cent of the consolidated income of the company during the previous financial year.

**CHARTER FOR THE CORPORATE SOCIAL RESPONSIBILITY COMMITTEE OF THE
BOARD OF TATA CLEANTECH CAPITAL LIMITED**

1. Applicability

Setting up of a Corporate Social Responsibility Committee (“CSRC”) of the Board is required in terms of Section 135 of the Companies Act, 2013 (“Act”), the Rules framed thereunder (“CSR Rules”) and Schedule VII to the Act as amended from time to time, as also the Governance Guidelines on Board Effectiveness and / or any other Guidelines issued by Tata Sons Limited, the ultimate holding company, from time to time.

2. Composition

The CSRC shall comprise three or more Directors, out of which, at least one Director shall be an Independent Director and one shall be a Non-independent Non-executive Director.

3. Meetings and Quorum

3.1 The CSRC shall meet at least twice a year.

3.2 The quorum for Meetings of the CSRC shall be one third of the members of the Committee or two members, whichever is higher.

3.3 The Company Secretary shall act as Secretary to the CSRC. The Secretary will, *inter alia*, keep minutes of the proceedings of Meetings of CSRC and report the actions taken on matters arising out of earlier meetings.

4. Role and Powers

The Committee shall have the powers to:

- Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013 (“CSR Activities”).
- Recommend the amount of expenditure to be incurred on CSR activities.
- Monitor the CSR Policy of the Company from time to time and institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.
- Oversee the Company’s conduct with regard to its corporate and societal obligations and its reputation as a responsible corporate citizen.
- Oversee activities impacting the quality of life of the beneficiaries of the CSR projects.
- Carry out such other functions as may be delegated by the Board from time to time.

5. Reporting

5.1 Progress reports on CSR activities to be circulated to the Board of Directors on a quarterly basis

5.2 The Company's Board Report shall include an Annual Report from the CSRC on CSR, containing such details as provided in the Annexure to the CSR Rules as also the details about the CSR Policy developed and implemented by the Company on CSR initiatives taken during the year.

6. Compensation

The Members of the CSRC shall receive such sitting fees, if any, for their services as Committee members as may be determined by the Board at its sole discretion.

7. Review of Committee Charter

The adequacy of this Charter shall be reviewed and reassessed by the Board of Directors from time to time, as it may seem appropriate (based on changes that may be brought about to the regulatory framework or otherwise).

8. Compliance with the Charter

The Chairman of the Committee shall confirm annually to the Board that all responsibilities outlined in this Charter have been carried out.

9. Committee Evaluation

The Committee shall undergo an annual self-evaluation of its performance and report the result to the Board. Indicative areas for evaluation as part of this exercise include:

- Degree of fulfilment of key responsibilities,
- Adequacy of Committee composition,
- Effectiveness of meetings,
- Committee dynamics,
- Quality of relationship of the Committee with the Board and the Management.

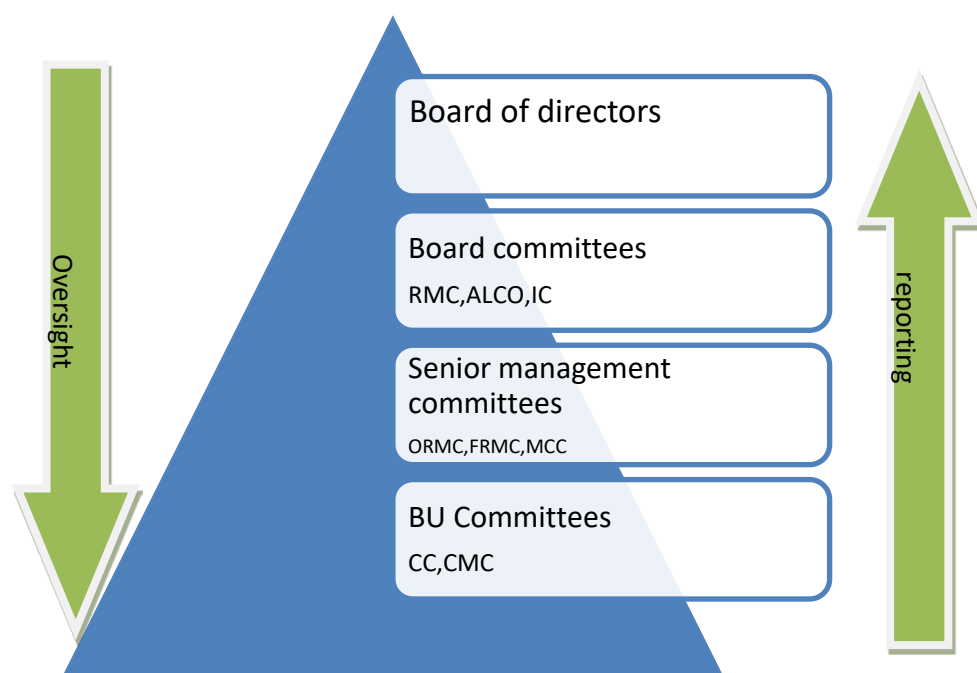
CHARTER FOR THE RISK MANAGEMENT COMMITTEE FOR TCCL

The Risk Charter of the organisation aims at defining roles and responsibilities of the Risk Management Function for sound Risk Management.

Risk Management: Philosophy

- To build profitable and sustainable business with appropriate risk management approach
- To have risk management as an integral part of the organization's business strategy
- To undertake businesses that are well understood and within acceptable risk appetite
- To manage the risks proactively across the organization
- To adopt best risk management practices with resultant shareholder value creation and increased stakeholder confidence
- To develop a strong risk culture across the organization

TCCL Risk Management Committee Oversight structure



CHARTER FOR THE RISK MANAGEMENT COMMITTEE FOR TCCL

Risk Management Organization:

The Board of directors oversee the company's risk management processes and controls, while management is charged with the day-to-day management of the company's risks. The Board

- ✓ Sets objectives for risk management and risk philosophy.
- ✓ Approves and reviews compliance with policies and reviews risk assessment of the organization annually.
- ✓ Provide guidance on corporate governance principles.

The Risk Management Function shall be managed by the Committee of the Board with the support of Risk Department.

Risk Management Committee of the Board (RMC): The purpose of the committee is to assist the Board in its oversight of various risks

- ✓ Provide the enterprise risk overview to the board in line with various policies
- ✓ Review and analyze risk exposure related to specific issues and highlight the same to the board

Business Risk Assessment

To obtain reasonable assurance with respect to the Company's risk management practices, the Risk Management Committee shall periodically review:

- the nature and extent of the risks facing the Company, the industry and the economy as a whole;
- the extent and categories of risk which it regards as acceptable for the Company to bear;
- the likelihood of the risks concerned materializing;
- the Company's ability to reduce the risks that do materialize;
- the costs of operating particular controls relative to the benefit thereby obtained in managing the related risks;
- consider the risk of management's ability to overlook / override the internal control systems;
- review with the Company's Legal Head and solicitors about the various legal matters which may have an impact on the financial statements and functioning of the Company; and
- Discuss with the Management, the Company's policies with respect to risk assessment and risk management, including appropriate guidelines to govern the process, as well as the Company's major financial risk exposures including policy for foreign exchange and derivative transactions and the steps Management has undertaken to control them.

COMPOSITION

The Committee shall comprise of three Directors out of which minimum one shall be Non-Executive Director.

The Chairman of the Committee shall be a Non Executive Director.

MEETINGS AND QUORUM

The Committee shall meet at least once in a quarter.

Any two members or one-third of the members of the Committee, whichever is greater, shall be the quorum for the Committee meetings.

The committee may invite such of the executives, as it considers appropriate to be present at the meetings of the Committee. CEO, TCCL, Chief Risk Officer, TCCL, Chief Risk Officer-TCL and CFO shall be a permanent invitees to the Risk Management Committee meeting.

The Company Secretary shall act as the Secretary to the Committee Meetings. The Secretary will keep adequate minutes of the proceedings and report on actions taken in the subsequent meeting.

REPORTING

The Committee will periodically report to the Board on various matters that it has considered.

COMPENSATION Members of the Committee shall receive such sitting fees and/ or commission, if any, for their services as Committee members as may be determined by the Board.

The following internal committees (other than ICC and ALCO of the Board) will discharge responsibilities as outlined below as a part of comprehensive risk management:

A. Investment Credit Committee of the Board (ICC):

- To approve or modify or disapprove all Policies and Scheme Notes on recommendation of the Credit Committee/MCC.
- To approve or modify or disapprove business proposals including review's which are submitted to the ICC. various counterparties, where exposures in aggregate exceed a certain level.

IC shall comprise of Directors, MD of TCCL, Credit Head of TCCL, Chief Financial officer (“CFO”) of TCCL, CFO of TCL, Company Secretary of TCL, Chief Risk Officer-TCL and Chief Risk Officer would be permanent invitees for ICC.

- B. Asset Liability Management Committee of the Board (ALCO):** ALCO shall review the Liquidity Risk and Interest Rate Risk on a regular basis and suggest necessary actions based on its view and expectations on the liquidity and interest rate profile.

The Board has delegated the responsibility of managing overall liquidity risk and interest rate risk management to ALCO which shall review the Liquidity Risk and Interest Rate Risk on a regular basis and suggest necessary actions based on its view and expectations on the liquidity and interest rate profile. These risks will be overseen by the RMC.

ALCO shall comprise of Directors. ALCO shall invite other officials as and when required. MD & CEO- TCCL & Head of Treasury, Chief Risk Officer & CFO, shall be a permanent invitees to ALCO

Liquidity Risk

Liquidity risk is the risk resulting from an organisation’s inability to meet its obligations as they become due, because of difficulty in liquidating assets (market liquidity risk) or in obtaining adequate funding (funding liquidity risk). The assessment include analysis of sources and uses of funds, an understanding of the funding markets in which the entity operates and an assessment of the efficacy of a contingency funding plan for events that could arise.

Liquidity Risk Measurement:

- For measuring and managing net funding requirements, the use of a maturity ladder and calculation of cumulative surplus or deficit of funds at selected maturity dates shall be adopted as a standard tool.
- The format of the Statement of Structural Liquidity suggested by the RBI will be adopted.

Interest Rate Risk

Interest rate risk is the risk where changes in market interest rates might adversely affect the entity’s financial condition. The immediate impact of changes in interest rate is on the Net Interest Income (NII). A long term impact of changing interest rates is on the our networth as the economic

value of the entity's assets, liabilities and off- balance sheet positions get affected due to variation in market interest rates.

Interest Rate Risk Measurement:

- Earnings perspective involves analysing the impact of changes in interest rates on accrual or reported earnings in the near term. This is measured by measuring the changes in the Net Interest Income (NII) or Net Interest Margin (NIM) i.e. the difference between the total interest income and the total interest expense.
- Economic Value perspective involves analysing the expected value of cash flows on assets minus the expected value of cash flows on liabilities plus the net cash flows on off-balance sheet items. It focuses on the risk to networth arising from all repricing mismatches and other interest rate sensitive positions. The economic value perspective identifies risk arising from long-term interest rate gaps.

ALCO shall delegate the responsibility of liquidity management and Interest risk management to various departments to manage measure, monitor and report the risk.

C. Management Credit Committee (MCC):

Members to the committee include - MD & Chief Executive Officer – TCL, Managing Director of TCCL , Chief Risk Officer - TCL , Head Credit –TCCL (Cleantech/Other Infra) and Chief Risk Officer – TCCL.

- To approve or modify or disapprove business proposal including reviews which are submitted to MCC.
- To recommend the proposals including reviews to the ICC/Board for facilities falling beyond the delegated financial power of MCC.
- Proposal in MCC can be cleared through circulation.

D. Credit Committee (CC): The Credit committee approves counterparty credit exposure in line with Delegation of Power and Authority assigned by the Board of directors.

TCCL CC: Members include TCCL MD & CEO, Credit Head (Cleantech/Other Infra), Chief Risk Officer - TCCL will be a permanent invitee

- To recommend all the policies (including policy related matters) with respect to the financial exposures to the ICC.
- The Standard Operating Procedures and process notes to be approved by CC. Such notes are subordinated to the Policy(ies) and only provide operating guidelines.
- Approve business proposals, including reviews (excluding pricing), which are within the financial powers of the Committee.
- To recommend the proposals including reviews to the MCC / ICC for facilities falling beyond the delegated financial power of CC.

E. Credit Monitoring Committee (CMC):

- Reviews the conduct of existing loans and design the action plan for all cases which are reviewed.
- Identify the risk profile of the asset at the time of review
- Recommend for reschedulement /restructuring of account
- Review of all put / call option and recommend exercising or otherwise

CMC is conducted in line with CMC Policy. Implementation of CMC recommendations is closely monitored. CC members are credit monitoring committee members.

F. Operational Risk Management Committee (ORMC):

Operational Risk has been defined as: “The risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.” This definition includes legal risk, but excludes strategic and reputation risk. This definition is based on the underlying causes of operational risk. It seeks to identify why a loss has happened and at the broadest level includes the breakdown by four causes: people, processes, systems and external factors

ORMC is the oversight committee for operational risk; TCFSL ORMC also oversees TCCL where CFO (TCCL) is permanent invitee. Chief-Internal Audit & Functional Heads will be special invitees and will

CHARTER FOR THE RISK MANAGEMENT COMMITTEE FOR TCCL

be invited whenever required Operational risk management policy covers composition, meeting & quorum. The committee:

- Approve operational risk management policy and amendments to the operational risk management policy
- Approve Insurance management framework
- Approve corrective actions on operational risk incidents, based on analysis of the KRIs, operational risk process reviews, etc

The organisation for supporting operational risk management governance will include the following:

- **Operational Risk Management Committee (ORMC)** : in addition to the above ORMC will also do the following:
 - Reviewing the risk profile, understanding future changes and threats, and identifying areas of highest priority and related risk mitigation strategy.
 - Ensuring adequate resources are being assigned to mitigate risks.
 - Communicating the importance of operational risk management to business units and staff, and ensure their participation and co-operation.
 - Reviewing and approving the development and implementation of operational risk tools, including assessments, reporting and loss event databases.
 - Proactively reviewing and managing potential risks which may arise from regulatory changes / economic or political environment.
 - Reviewing reports / presentations from business units and other departments about their risk profile and mitigation programs.
 - Analysing frauds, potential losses, non-compliances, breaches, etc. and recommend corrective measures to prevent recurrences.
- **Operational Risk Management Team (ORMT)** will comprise of officers from risk management team; headed by head operational risk(TCFSL)

The ORMT is responsible for co-ordinating all the operational risk activities. Activities include building an understanding of the risk profile, implementing tools related to operational risk management, and working towards the goals of improved controls and lower risk. Their responsibilities include

- Policy - ORMT will be responsible for drafting, presenting, updating and interpreting the Operational Risk Management Policy.
- Risk Profile -ORMT will work with all businesses / departments and assemble information to build an overall risk profile of TCL, understand and communicate these risks, and analyse changes / trends in the risk profile. ORMT will utilise the following to develop these profiles –
 - Key Risk Indicators (KRIs)
 - Risk & Control Self Assessment (RCSA)
 - Loss database

G. Fraud Risk Management Committee (FRMC) :

FRMC is the oversight committee for fraud risk; TCFSL FRMC also oversees TCCL where CFO (TCCL) is a permanent invitee. Fraud risk management policy covers composition, meeting & quorum.

Incidence of fraud is viewed by the management as a matter of serious concern and it is our primary responsibility to build up a strong and effective fraud risk management framework to prevent frauds.

"Fraud" means and includes any of the following acts committed by a party to contract, or with his connivance, or by his agents, with intent to deceive another party thereto his agent, or to induce him to enter into the contract:

- The suggestion as a fact, of that which is not true, by one who does not believe it to be true;
- the active concealment of a fact by one having knowledge or belief of the fact;
- a promise made without any intention of performing it;
- any other act fitted to deceive;

- any such act or omission as the law specially declares to be fraudulent.

Frauds have been categorized into the following types by RBI:

- Misappropriation and criminal breach of trust.
- Fraudulent encashment through forged instruments, manipulation of books of account or through fictitious accounts and conversion of property.
- Unauthorised credit facilities extended for reward or for illegal gratification.
- Negligence and cash shortages.
- Cheating and forgery.
- Irregularities in foreign exchange transactions.
- Any other type of fraud not coming under the specific heads as above.

FRM team headed by Head FRM convenes the FRMC meeting in line with FRM Policy where committee members review the frauds reported and investigated since the previous meeting and reviews progress on outstanding frauds

The committee:

- Reviewing matters related to fraud risk and approves/recommends actions against frauds.
- Reviewing the frauds reported and investigated for TCL and all its subsidiaries.
- Reviewing progress on outstanding frauds.

H. Information and Cyber Risk Management: Information Security policy is designed to protect Information and Information Systems from unauthorized access, use, disclosure, disruption, modification, or destruction in order to provide Confidentiality, Integrity, Availability, Authenticity while, the Cyber Security policy is designed to Prevent, Detect, Respond and Recover in an effective manner, from Cyber Attacks arising out of the various threat vectors, with the sole objective of building Organisational Resilience.

Technology Risk management is carried out as per the guidance under RBI Master Directions for IT in NBFC Sector. Security Operations Center (SOC) is established for security incident and events management (SIEM). Vulnerability and Risk assessments are carried out on an annual basis. The assessment process is common across Information Risk as well as Cyber Security Risks. The results

CHARTER FOR THE RISK MANAGEMENT COMMITTEE FOR TCCL

of the assessments are shared with the respective stakeholders and placed at IT Strategy Risk Committee for review.

Risk Management Process is detailed in ERM policy

A Brief summary of which is given below:

- **Risk Assessment**

TCCL shall carry out annual risk assessment for the key risks mentioned in “Annexure 1”. The assessment will be based on 1-5 point scale on impact and probability of occurrence considering current control environment.

Credit risk, market risk, operational risk, fraud risk assessment is carried out on an ongoing basis, reputation risk assessment is carried out annually. Compliance risk assessment is carried out by compliance department and information security risk assessment is carried out by IT team.

- **Risk Monitoring : Currently risk measures are applied for risk monitoring**

- **Credit Risk:** Portfolio / counterparty performance, various portfolio limits etc.
- **Market Risk** (Interest rate, Liquidity Risk and Currency Risk) : Sensitivity analysis and periodic review of investment policy triggers
- **Operational risk:** Key risk indicator performance

Review of Committee Charter

The adequacy of this Charter shall be reviewed and reassessed by the Board of Directors from time to time, as it may seem appropriate (based on changes that may be brought about to the regulatory framework or otherwise).

Compliance with the Charter

The Chairman of the Committee shall confirm annually to the Board that all responsibilities outlined in this Charter have been carried out.

Committee Evaluation

The Committee shall undergo an annual self-evaluation of its performance and report the result to the Board. Indicative areas for evaluation as part of this exercise include:

- Degree of fulfillment of key responsibilities,
- Adequacy of Committee composition,
- Effectiveness of meetings,
- Committee dynamics,
- Quality of relationship of the Committee with the Board and the Management.

Key Responsibility of the CRO

The Key Responsibilities of CRO of the Company is defined as per Annexure 2.

CHARTER FOR THE RISK MANAGEMENT COMMITTEE FOR TCCL

Annexure 1

Types of Risks:

The risks faced by TCCL have been broadly classified as:

Type of Risks		
Sr. No.	Risk Groups	Risks
1	Credit Risk	Credit Risk & Concentration Risk
2	Market Risk	Interest Rate Risk
3		Liquidity Risk
4		Currency Risk
5	Operational Risk	Operational Risk (including Employee third party claims etc)
6		Fraud Risk
7		HR Risk
8		Technology Risk
9	Other Risks	Strategic Risk
10		Reputational Risk
11		Compliance Risk
12		Emerging & External Risk

Annexure 2

Key Responsibilities of the Chief Risk Officer (“CRO”)

- The CRO is responsible for enabling the efficient and effective governance of significant risks to the business of the TCCL and its various segments.
- CRO is responsible for the company's risk management practices evaluating, managing and reporting the external and internal risks to the organization.
- CRO shall be involved in the process of identification, measurement and mitigation of risks. All credit products (retail or wholesale) shall be vetted by the CRO from the angle of inherent and control risks. The CRO’s role in deciding credit proposals shall be limited to being an advisor.

TATA CLEANTECH CAPITAL LIMITED

CHARTER FOR THE FINANCE AND ASSET LIABILITY SUPERVISORY COMMITTEE OF THE BOARD OF TATA CLEANTECH CAPITAL LIMITED

1. Objective of the Finance and Asset Liability Supervisory Committee

- 1.1 The Finance and Asset Liability Supervisory Committee (“Committee”) of the Board of Directors (“Board”) of Tata Cleantech Capital Limited (“Company”) shall oversee the implementation of the Asset Liability Management system and shall periodically review its functioning in line with the requirements / Directions / Guidelines issued from time to time, by the Reserve Bank of India (“RBI”) for Non Banking Financial Companies (“NBFC”).

2. Composition

- 2.1 The Committee shall comprise the Chairperson of the Board, Managing Director and one / two Non-executive Directors, as Members.
- 2.2 The Chairperson of the Committee shall be a Non-executive Director of the Company.

3. Meetings and Quorum

- 3.1 The Committee shall meet at least once every quarter.
- 3.2 Any two members or one-third of the Members of the Committee, whichever is greater, shall be the quorum for Committee meetings.
- 3.3 The Committee may invite such of the executives, as it considers appropriate, to be present at meetings of the Committee. However, the following shall be permanent invitees to meetings of the Committee.
- (i) Chief Financial Officer (“CFO”)
 - (ii) CFO, Tata Capital Limited (“TCL”)
 - (iii) Chief Information Officer(s) (“CIO”)
 - (iv) Chief Risk Officer (“CRO”)
 - (v) CRO, TCL
 - (vi) Head – Treasury, TCL
 - (vii) CIO, TCL
- 3.4 The Company Secretary shall act as Secretary to the Committee. The Secretary will, *inter alia*, keep minutes proceedings of Meetings of the Committee and report the actions taken on matters arising out of earlier meetings.

TATA CLEANTECH CAPITAL LIMITED

4. Role and Powers

The Committee will, *inter alia*, specifically oversee the following:

- a) Compliance with RBI Prudential Norms / Directions / Guidelines for Asset Liability Management.
- b) Debt Composition and plan of the Company for fund raising.
- c) Resource Raising Policy of the Company.

The Committee shall have the powers to:

- to determine the Prime Lending Rates of the Company, from time to time, in accordance with the Policy for determining Interest Rates, Processing and Other Charges.
- investigate any activity within the scope of this Charter or referred to it by the Board.
- seek any information or explanation from any employee of the Company, relating to the matters under its coverage.
- ask for any records or documents of the Company.
- engage independent consultants and other advisors and seek their advice.
- carry out such other functions as may be delegated by the Board from time to time.

5. Reporting

The Committee will periodically report to the Board on various matters that have been referred to the Committee.

6. Compensation

Members of the Committee shall receive such sitting fees, if any, for their services as Committee members as may be determined by the Board at its sole discretion.

7. Review of Committee Charter

The adequacy of this Charter shall be reviewed and reassessed by the Board of Directors from time to time, as it may seem appropriate (based on changes that may be brought about to the regulatory framework or otherwise).

8. Compliance with the Charter

The Chairman of the Committee shall confirm annually to the Board that all responsibilities outlined in this Charter have been carried out.

TATA CLEANTECH CAPITAL LIMITED

9. Committee Evaluation

The Committee shall undergo an annual self-evaluation of its performance and report the result to the Board. Indicative areas for evaluation as part of this exercise include:

- Degree of fulfillment of key responsibilities,
- Adequacy of Committee composition,
- Effectiveness of meetings,
- Committee dynamics,
- Quality of relationship of the Committee with the Board and the Management.

CHARTER FOR THE INVESTMENT CREDIT COMMITTEE OF THE BOARD OF TATA CLEANTECH CAPITAL LIMITED

1. Objective

Investment Credit Committee (“ICC”) of the Board of Directors (“Board”) of Tata Cleantech Capital Limited (“Company”) shall approve financing and investment proposals from various business dimension of the Company.

2. Composition

The ICC shall comprise of at least three Non-Executive Directors, one of which shall be an Independent Director.

3. Meetings and Quorum

3.1 The ICC shall meet as may be required.

3.2 The quorum for Meetings of the ICC shall be one third of the members of the Committee or two members, whichever is higher.

3.3 The Company Secretary shall act as Secretary to the ICC. The Secretary will, *inter alia* keep minutes of the proceedings and report on actions taken in the subsequent meeting.

4. Role and Powers

The ICC shall have the powers to:

- To approve/ modify / disapprove financing/credit proposals (in line with credit policy), which in terms of the Board approved Delegation of Authority Matrix (“DOA”), have been delegated by the Board to the ICC, from time to time.
- To approve investments in Debentures / Commercial Paper, Equity Shares and Preference Shares, in terms of the Board approved Treasury Investment Policy.
- To approve or modify or disapprove all Policies and Scheme Notes on recommendation of the Credit Committee or such other Committees as may be formed pursuant to the Board approved DOA, from time to time.
- To periodically review proposals approved by the Credit Committee or such other Committees as may be formed pursuant to the Board approved DOA, from time to time.
- To approve the transactions pertaining to other lending activities such as Investments or Deposits, including Assignment of Portfolio with any related party, in terms of the Board approved Framework for Related Party Transactions.
- Carry out such other functions as may be delegated by the Board from time to time.

Reporting

The ICC will periodically report to the Board on various matters that have been referred to the Committee.

5. Compensation

The Members of the Committee shall receive such sitting fees, if any, for their services as Committee Members as may be determined by the Board at its sole discretion.

6. Review of Committee Charter

The adequacy of this Charter shall be reviewed and reassessed by the Board of Directors from time to time, as it may seem appropriate (based on changes that may be brought about to the regulatory framework or otherwise).

7. Compliance with the Committee Charter

The Chairperson of the Committee shall confirm annually to the Board that all responsibilities outlined in this Charter have been carried out.

8. Committee Evaluation

The Committee shall undergo an annual self-evaluation of its performance and report the result to the Board. Indicative areas for evaluation as part of this exercise include:

- Degree of fulfilment of key responsibilities,
- Adequacy of Committee composition,
- Effectiveness of meetings,
- Committee dynamics,
- Quality of relationship of the Committee with the Board and the Management.

TATA CLEANTECH CAPITAL LIMITED

CHARTER FOR THE INFORMATION TECHNOLOGY STRATEGY COMMITTEE OF THE BOARD OF TATA CLEANTECH CAPITAL LIMITED

1. Applicability

The Information Technology (“IT”) Strategy Committee (“Committee”) of the Board of Directors (“Board”) of Tata Cleantech Capital Limited (“Company”) is constituted pursuant to the ‘Master Direction – Information Technology Framework for the NBFC Sector’ dated June 8, 2017, for Non-Banking Finance Companies (“NBFCs”), issued by Reserve Bank of India (“the RBI IT Directions”).

2. Objectives

The Committee shall 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. The deliberations of the Committee may be placed before the Board. The Committee shall work in partnership with other Board Committees and Senior Management to provide inputs.

3. Composition

3.1 The Committee shall comprise of the following:

- a) At least one Independent Director;
- b) At least one Non- Executive Director;
- c) Managing Director; and
- d) the Chief Information Officer (“CIO”) and
- e) the Chief Technology Officer (“CTO”), if any.

3.2 The Chairperson of the Committee shall be an Independent Director of the Company.

4. Meetings and Quorum

4.1 The Committee shall meet atleast twice in a financial year and not more than six months should elapse between two meetings.

4.2 Any two Directors and CIO and CTO (if any) (to be present for all the Meetings), shall be the quorum for Committee meetings.

4.3 The Committee may invite such of the executives, as it considers appropriate, to be present at meetings of the Committee. However, the following shall be permanent invitees to meetings of the Committee:

TATA CLEANTECH CAPITAL LIMITED

- a) Ms. Aarthi Subramanian, Director, Tata Capital Limited (“TCL”), the holding company and Group Chief Digital Officer, Tata Sons Private Limited, the ultimate holding company.
- b) CIO, Tata Capital (irrespective of the entity in which he/she is appointed)
- c) CTO, Tata Capital (irrespective of the entity in which he/she is appointed)
- d) Chief Risk Officer, TCL;
- e) Chief Information Security Officer, Tata Capital (irrespective of the entity in which he / she is appointed)
- f) Technology Head - Enterprise Architecture & IT Governance, Tata Capital Financial Services Limited

4.4 The Company Secretary shall act as Secretary to the Committee. The Secretary will, *inter alia*, keep minutes proceedings of Meetings of the Committee and report the actions taken on matters arising out of earlier meetings.

5. Roles and Responsibilities

The Committee shall have the following roles and responsibilities:

- a. To approve IT strategy and policy documents and ensure that the Management puts an effective strategic planning process in place;
- b. To ascertain that the Management had implemented processes and practices that ensure that the IT delivers value to the business;
- c. To ensure IT investments represent a balance of risks and benefits and that budgets are acceptable;
- d. Monitor the method that the Management used to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
- e. To ensure proper balance of IT investments for sustaining the Company’s growth and being aware about exposure towards IT risks and controls;
- f. To constitute the Steering Committee and review the discussions of the said Committee periodically;
- g. To institute an effective governance mechanism and risk management process for all outsourced IT operations and to do all such acts as may be required under the Directions in respect of the outsourced IT operations;
- h. To do any or all things that may be done by the Board of Directors in accordance with the RBI IT Directions, as amended from time to time; and
- i. To do such other things related to IT as may be recommended by the Board of Directors to the Committee.
- j. To review the IT / Information Systems (“IS”) Audit report and provide its observation/recommendations to the Board;
- k. To review the IS audit framework and recommend changes, if any, to the Board;
- l. To recommend the appointment of IT / IS auditor to the Board, as the case may be; and

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m. To approve engagement of any external service provider for IS audit services.

6. Reporting

The Committee will periodically report to the Board on various matters that have been referred to the Committee.

7. Compensation

Sitting Fees for the Meetings of the Committee shall be paid to the Independent Directors and the Non-Executive Directors (other than Managing Director or employees of Tata Capital Limited and its subsidiaries) as approved by the Board of Directors of the Company for any Committee constituted by the Board. Sitting fees shall not be paid to the Permanent Invitees for the Committee Meetings.

8. Review of Committee Charter

The adequacy of this Charter shall be reviewed and reassessed by the Board of Directors from time to time, as it may seem appropriate (based on changes that may be brought about to the regulatory framework or otherwise).

9. Compliance with the Charter

The Chairperson of the Committee shall confirm annually to the Board that all the responsibilities outlined in this Charter have been carried out.

10. Committee Evaluation

The Committee shall undergo an annual self-evaluation of its performance and report the result to the Board. Indicative areas for evaluation as part of this exercise include:

- Degree of fulfilment of key responsibilities;
- Adequacy of Committee composition;
- Effectiveness of meetings;
- Committee dynamics;
- Quality of relationship of the Committee with the Board and the Management.