

Standard Chartered Capital Limited
(Formerly Standard Chartered Investments & Loans (India) Ltd (SCILL))

GUIDELINES ON CORPORATE GOVERNANCE

Policy Title	Standard Chartered Capital Limited (Formerly Standard Chartered Investments & Loans (India) Ltd (SCILL)) - Guidelines on Corporate Governance
Version Number	1.1
Applicability	Reserve Bank of India Guidelines and as amended from time to time
Geography	India
Status	Current
Effective Date	01 December 2016
Review Date	11 August 2023
Purpose & Scope	RBI Master Circular – “Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015” no. RBI/2014-15/632 DNBR (PD) CC No.040/03.01.001/2014-15 dated June 03, 2015 requires Company to formulate internal guidelines on Corporate Governance with the approval of the Board of Directors.
Definitions	<p>“Accountable Executive” means the designated representative with accountability for the business governance and management of the Subsidiary Non- Banking Subsidiaries (SNBS) and should be the SNBS CEO or, if no CEO is appointed, the relevant business or functional representative with accountability for the business governance and management of the SNBS. 'Blueprint' - Blueprint OneWorld, the SCB Group's Corporate Database</p> <p>'Board' - the Board of Directors of the Company</p> <p>'CEO' - unless otherwise specified, the Chief Executive Officer or equivalent of the Company</p> <p>'Dormant'</p> <p>an entity which has no significant account transactions as determined by Group Finance</p> <p>`GCS' – Group Corporate Secretariat</p> <p>`GCS representative' – Regional Head, Subsidiary Governance</p> <p>'Governance CEO' – the Country CEO with governance responsibility for the country of incorporation or domicile of the group entity</p> <p>`Group' – Standard Chartered PLC and its subsidiaries</p>

	<p>‘Group Entity’ – means any Subsidiary, including Controlled Structured Entities which are subsidiaries.</p> <p>‘INED’ – means an independent non-executive director of a Subsidiary who is appointed from outside the Group and who meets both the criteria for independence specified in relevant local laws and regulations and the Group’s criteria, whichever is more stringent. This category of director includes external non-executive directors who are not considered to be ‘independent’ under local law or regulations.</p> <p>‘Non-banking Subsidiary’ – any subsidiary of the Group, other than a licensed bank</p> <p>‘Responsible Person’ – means the person designated for ensuring that the data held on Blueprint on each entity they are appointed to is accurate and up to date at all times. The Responsible Person for a SNBS will be the SNBS Company Secretary if one is appointed. ‘SCB Appointee’ – means a Director of a Group entity who is an employee or non-employed worker (NEW) of the Group. The appointment term must end upon the person ceasing to be an employee or NEW of the Group.</p> <p>‘Significant Non-banking Subsidiary’ – as defined in the SNBS Standard</p> <p>‘Third Party Company Secretarial Specialist’ – means an external provider of company secretarial services approved by the Regional Head of Subsidiary Governance and appointed for a SNBS.</p>
Policy Owner (name & title)	Company Secretary, SC Capital shall be responsible for carrying out changes in the Corporate Governance document as may be recommended by the SC Capital Board from time to time.
Approving Authority	SC Capital Board

1. Constitutional Documents

(Memorandum and Articles of Association or equivalent)

The relevant Regional Head of Subsidiary Governance, with assistance from the SNBS Company Secretary, must review and endorse in writing any proposed changes to the constitutional documents of each SNBS, including but not limited to director and officer provisions, share capital, director/ shareholder meeting provisions and financing, to ensure that the changes are compliant with Group governance standards and local legal and regulatory requirements.

2. Board and Committee Functions and Responsibilities

As a legal entity in its own right, a SNBS is only constrained by the laws and regulations of its jurisdiction and its constitutional documents. The Board is the ultimate decision-making body of every SNBS and must be guided by Group policies, standards and strategy which should be adopted to the extent applicable.

2.1 The Board may delegate day to day management for the operations of the SNBS to the CEO or executive management committee(s). Factors to be considered will be the size of the business, underlying risk and local governance requirements. If:

- (a) required by local law or regulations; or
- (b) the SNBS Board delegates day-to-day management to the CEO or committees, the SNBS Board must adopt a Terms of Reference ("ToR") and should maintain an annual Rolling Agenda for planning purposes, templates of which are available on the Subsidiary Governance Bridge page. Any deviation from the Board ToR template must be endorsed by the relevant Regional Head of Subsidiary Governance.

2.2 If Board committees are mandated by local laws or regulation, the Board committees must adopt ToRs which are endorsed by the Board and must also maintain annual Rolling Agendas to ensure that the Committee is discharging its responsibilities. Where possible, the committee ToRs should be based on standard templates published on the Subsidiary Governance Bridge page with deviations based only on local requirements.

2.3 The Board should meet as required by the Company's constitutional documents, regulations and ToR. The Accountable Executive in consultation with the SNBS Company Secretary and Chair (if one should be appointed) should assess board meeting frequency and effectiveness annually to ensure the SNBS is being effectively managed and governed.

2.4 The directors must be given sufficient notice of Board meetings and be provided with meeting agendas and adequate supporting Board papers on a timely basis in order to enable them to make informed and relevant decisions.

3. Delegation of Authority and approval processes

3.1 All delegated authorities must emanate from the Board.

3.2 Any delegation of authority made through a Power of Attorney must be validly sponsored and executed in line with the Power of Attorney Guidance, which is available on the Power of Attorney Bridge page.

3.3 In establishing delegated authorities, whether for risk/ business approval, financial expenditure approval or for other approvals, each SNBS must mirror standard Group delegations of authority, in respect of both quantum and individuals to be granted authority. Refer to the Group Delegated Authority Manual for such Group authorities, which is available on the Group Delegated Authority Manual Bridge page.

3.4 The CEO must raise with the Board any matter of significance affecting the SNBS which requires the Board's attention or approval, including any matters which exceed his/ her delegated authority.

3.5 A model process for delegation of authority and approval within a SNBS is available on the Subsidiary Governance Bridge page.

4. Board of Directors

All directors of the SNBS must be SCB Appointees, unless:

- 4.1.1. A non-Group shareholder of the SNBS is entitled to appoint directors; or
- 4.1.2. There is a regulatory or legal requirement to appoint an Independent Non-Executive Director (INED); or
- 4.1.3. Prior approval from the Subsidiary Governance Policy Owner or their nominated delegate has been obtained if an INED is required for any other reason.

If an INED needs to be appointed, the requirements regarding INED appointments as detailed in the procedure note on the Subsidiary Governance Bridge page should be complied with.

- 4.2. Tax advice must be sought from the relevant Regional Tax Lead before any change to the composition of the Board whereby the appointment, resignation or change of location of a director would mean that a majority of directors are not resident in the country of incorporation of the SNBS.
- 4.3. The Governance CEO, or relevant CFO or CRO (or the COO if deemed sufficient for corporate governance purposes) must be appointed to the Board of every SNBS incorporated within their jurisdiction. The Governance CEO may consult with the relevant Regional Head of Subsidiary Governance or Group Company Secretary if appointment of the COO (instead of the CFO or CRO) is deemed to be sufficient in the circumstances.
- 4.4. Directors shall be able to devote sufficient time to the role and be willing to attend the scheduled board meetings in person. Attendance by phone or video conference should be considered where the director is located in a different country, subject to the Chairman's approval and compliance to local laws.
- 4.5. SCB Appointees to the SNBS Board should be:
 - (a) endorsed by the Governance CEO and
 - (b) senior executives ideally with responsibility for businesses/ functions with relevance to the activities of the SNBS. Career development should be a consideration when making appointments.
- 4.6. All SCB Appointees are required to comply with the Group's Outside Business Interests policy.

5. Chair of the Board

- 5.1 A designated chairperson is only required to be appointed where local laws and/ or regulations require one. For all other SNBS, it is expected that the Board will appoint a chairperson as necessary or convenient.
- 5.2 Where a designated chairperson is required, s/he must be an SCB Appointee unless local law or regulation requires an INED. Appointment of an INED Chair should follow the INED appointment process set out in the procedure note published on the Subsidiary Governance Bridge page. The designated chairperson has primary responsibility for effective operation of the Board, assisted by the designated Company Secretary or third-party company secretary specialist if applicable.

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

6. Induction and ongoing training

- 6.1 All newly appointed Directors must undertake an induction programme tailored to suit the Director's knowledge, skills and past experience. The programme must be designed and facilitated by the SNBS Company Secretary or Regional Head of Subsidiary Governance and should be based on the Group standard induction available on the Subsidiary Governance Bridge page. 6.2 SCB Appointees to the Board of a SNBS should identify their own specific ongoing training tailored to their individual needs as part of their individual learning development plan. SCB Appointees must fully understand their duties and obligations of being a director under the relevant local laws and regulations.

7. Group Policies and Standards

One of the principal means by which effective internal control over the activities of a SNBS is maintained is through the adoption by that entity of Group policies and standards. It is generally accepted by regulators that the risk management framework, together with key policies and standards, may be determined centrally at Group level, but that each SNBS as a separate legal entity should review and adopt the framework and relevant policies and standards after adapting them as required to meet local conditions. The Accountable Executive (in consultation with the Governance CEO, as applicable) must ensure that the SNBS adopts or applies policies and standards in accordance with the Entity Risk Governance Standards for Consolidated Entities, Branches and Subsidiaries on the RiskPod.

8. The Company Secretary and Board Support

- 8.1 In a country where the Group does not operate as a Banking Subsidiary, the Company Secretary will either be a business funded resource with appropriate skill and expertise to perform this function (and where there is sufficient volume) or designated by the Accountable Executive's function with support from an approved Third-Party Company Secretarial Specialist as required.
- 8.2 GCS will provide appropriate advice and guidance to designated Company Secretaries who are not a member of the GCS Function.
- 8.3 The minimum standards for a SNBS set out on the GCS Subsidiary Governance Bridge page must be complied with. If an approved Third-Party Company Secretarial Specialist is instructed those same minimum standards should be included in the scope of responsibilities for the third party.
- 8.4. The Company Secretary must ensure that all minutes of directors and shareholder meetings or resolutions in writing are properly approved and signed.
- 8.5. The Company Secretary must ensure that signed copies of all minutes, resolutions in writing as well as the other documents and official records, such as the constitutional documents, share certificates, and official registers of the SNBS are kept in accordance with the Group.
- 8.6 GCS has oversight responsibility to ensure that the Governance CEOs and the GBS Global Head (as applicable) are provided with assurance that the Policy requirements and company secretary minimum standards are being complied with.

9. Roles and Responsibilities

Role and Responsibilities of the Regional CEO

9.1. The Regional CEO must:

- 9.1.1. Ensure that a Governance CEO is appointed for every SNBS within their Region. The Governance CEO will be the Country CEO with governance responsibility for the SNBS domiciled within their country, irrespective of business line. (Note - In some circumstances, the Governance CEO may be the Cluster CEO where the individual is responsible for more than one country). This will ensure the Governance CEO has appropriate oversight of the activities in their jurisdiction.
- 9.1.2. Maintain oversight for all SNBS incorporated or domiciled within their region through receipt of a six-monthly report provided by the Accountable Executives as part of the six-monthly reporting process. The six-monthly report will identify all material risks and issues relating to the SNBS as well as confirming compliance with all Group policies and standards.
- 9.2. If deemed necessary by the Regional CEO, table the final review outcome (e.g. consolidated report from Accountable Executives' six-monthly reporting process for SNBS at a relevant committee as decided by the Regional CEO to facilitate challenge and oversight or if risks are deemed significant.
- 9.3. If deemed necessary by the Regional CEO, present outcomes to Business CEOs to facilitate challenge and oversight or if risks are deemed significant.
- 9.4. An up-to-date list of Group and Associated Entities is available on the Bridge and can be filtered by region and jurisdiction.

Role and Responsibilities of the Governance CEO

- 9.5. The Governance CEO for SNBS should be the Country CEO or Cluster CEO where there is no Country CEO.
- 9.6. The Governance CEO must:
 - 9.6.1. Ensure that an Accountable Executive and Responsible Person is in place for every SNBS domiciled within their jurisdiction.
 - 9.6.2. The Accountable Executive should be a senior business leader, agreed by the Regional Business Head if the SNBS exists for a business reason. If the SNBS exists to serve the overall Standard Chartered presence, then the Accountable Executive will default to the Country CEO or delegate.
 - 9.6.3. Maintain oversight of all SNBS incorporated in their jurisdiction by receiving confirmation from the Accountable Executives via the six-monthly reporting process that all Group and Associated Entities have complied with relevant policies/standards and have completed all statutory/regulatory filings as appropriate.

Role and Responsibilities of the Accountable Executive

- 9.7. The Accountable Executive should be the CEO of the SNBS or, if no CEO is appointed, the Group employee responsible for the business governance and management of the SNBS.

- 9.8. The Accountable Executive of a SNBS is accountable for understanding the SNBS purpose, ensuring compliance with the relevant subsidiary governance standard, monitoring and escalating risks, providing material updates to the Regional CEO and Governance CEO and for maintaining the accuracy of the information in Blueprint. For SNBS, this is done through the sixmonthly review process initiated by Group Corporate Secretariat.
- 9.9. The Accountable Executive should avail themselves of the templates, materials and guidance available in the Governance Manual and otherwise on the Subsidiary Governance Bridge page.
- 9.10. The Accountable Executive is responsible for:
 - 9.10.1. Ensuring that all SNBS for which they are accountable comply with all applicable corporate governance laws, regulations, governance codes, the Subsidiary Governance Policy and all other relevant Group policies and this subsidiary governance standard.
 - 9.10.2. Ensuring that country compliance teams and Governance CEOs are advised of any communication with Government agencies and local regulators in respect of their SNBS. There should be no communication with a local regulator without these parties being involved.
 - 9.10.3. Assigning an appropriate Responsible Person for the SNBS (please refer to the Responsible Person section below for information on who this should be) to ensure that the data held on Blueprint is accurate and up to date at all times and maintained in accordance with the mandatory information requirements to support accurate Group financial and regulatory reporting (including US Bank Holding Act/Volcker reporting). Ensure a replacement Responsible Person is found if necessary and that Blueprint is updated to reflect the change.
 - 9.10.4. Providing timely updates to the Responsible Person, advising of any changes to the mandatory information maintained in Blueprint. The Accountable Executive retains ultimately responsible for the accuracy of data maintained in Blueprint.
 - 9.10.5. Ensuring there is robust and effective oversight of the SNBS.
 - 9.10.6. Ensuring that there is a mechanism for assessing the risk to the Group that the SNBS presents and to assess the extent to which the SNBS is still viable.
 - 9.10.7. Ensuring that the Regional CEO and Governance CEO are aware of all material risks and issues relating to the SNBS on an ongoing basis and through the six-monthly reporting process.
 - 9.10.8. Subject to the below, ensuring that Directors of all SNBS Boards are SCB Appointees.
 - 9.10.8.1. Ensuring that Independent Non-Executive Directors or other non-SCB Appointees are appointed to the Board of an SNBS only where mandated by local law or regulation. Exceptions can be made where the appointment is pursuant to legal rights of a third party or with prior approval from the Subsidiary Governance Policy Owner or their nominated delegate.
 - 9.10.8.2 If Independent Non-Executive Directors or other non-SCB Appointees are appointed to the Board of a SNBS, ensuring that Independent Non-Executive Directors are not in the majority on the Board unless required to meet local law or regulation or agreed with the Subsidiary Governance Policy Owner or their nominated delegate.

- 9.10.8.3 Informing the Governance CEO, Group Corporate Secretariat and the Responsible Person if the role as Accountable Executive is re-assigned to someone else and ensuring that there is an effective handover to the new Accountable Executive.
- 9.10.8.4 Ensuring that the following wording is included in their job description – “To act as the Accountable Executive for the entity/ies assigned to me in Blueprint and to be accountable for understanding its/their purpose and risks, for providing material updates to the Governance CEO and Regional CEO through the Six-Monthly Review, for maintaining the accuracy of the information in Blueprint, and to undertake the Accountable Executive responsibilities as set out in the relevant Subsidiary Governance Standard”.
- 9.10.8.5 Failure to fulfil the responsibilities outlined above will be escalated to the Governance CEO and the Accountable Executive’s line manager. Role and Responsibilities of the Responsible Person

Role and Responsibilities of the Responsible Person

- 9.11. The Responsible Person should be the Company Secretary of the SNBS. In countries where the Group operates as a Banking Subsidiary, the Company Secretary of the SNBS will either be a business funded resource with appropriate skill and expertise to perform this function (with guidance and oversight from Group Corporate Secretariat), or the designated Banking Subsidiary Company Secretary where that has been agreed with Group Corporate Secretariat. Support may be provided by an approved Third-Party Company Secretarial Specialist.
- 9.12. In countries where the Group does not operate as a Banking Subsidiary, the Company Secretary will either be a business funded resource with appropriate skill and expertise to perform this function (where there is sufficient volume) or designated by the Accountable Executive's function with support from an approved Third-Party Company Secretarial Specialist as required.
- 9.13. The Responsible Person is responsible for:
- 9.13.1. Maintaining the Mandatory Information for the SNBS in Blueprint, where they have been provided with edit access, and for sending supporting source documentation evidencing the change, together with a Data Input Form containing the Mandatory Information where necessary, to Group Corporate Secretariat, so that the update can be checked and signed-off within the timelines set out in the Blueprint minimum standards or relevant DOI.
- 9.13.2. Where the Responsible Person does not have edit access to Blueprint, they must ensure that the Mandatory Information for the SNBS is maintained by sending documentation setting out the change to be made or, where necessary, by completing a Data Input Form to Group Corporate Secretariat. Group Corporate Secretariat will update Blueprint and confirm that the Mandatory Information has been correctly updated in Blueprint. The Responsible Person must send the documentation to Group Corporate Secretariat within the timelines set out in the Blueprint minimum standards or relevant DOI.
- 9.13.3. Establishing a process for verifying the accuracy of the Mandatory Information with the Accountable Executive and/or directly with the SNBS to ensure the Responsible Person receives the information required to accurately maintain the Mandatory Information in Blueprint.
- 9.13.4. Ensuring a comprehensive handover is given upon leaving the role as Responsible Person and giving confirmation to the Accountable Executive and Group Corporate Secretariat that all records on Blueprint are up to date (including recording the change to Responsible Person).

9.13.5. On at least a six-monthly basis:

9.13.5.1. Provide confirmation of the accuracy and completeness of the Mandatory Information for SNBS held in Blueprint to Group Corporate Secretariat and the Accountable Executive; and

9.13.5.2. Where necessary, updating Blueprint or providing details of changes to be made to the Mandatory Information to Group Corporate Secretariat.

9.13.6. Completing any necessary training required to ensure the accurate maintenance of Mandatory Information in Blueprint and compliance with all relevant Group policies and standards.

9.13.7. Ensuring that the following wording is included in their job description – “To act as the Responsible Person for the entity/ies assigned to me in Blueprint and to undertake the Responsible Person responsibilities for the entity/ies as set out in the relevant Subsidiary Governance Standard”.

9.13.8. Failure to fulfil the responsibilities outlined above will be escalated to the Accountable Executive and the Responsible Persons line manager.

Role and Responsibilities of Group Corporate Secretariat

9.14. Initiate the six-monthly reporting process.

9.15. Provide training to Directors, Accountable Executives and Responsible Persons to raise awareness of their roles and responsibilities under this Policy.

9.16. Process data changes on Blueprint as informed by Accountable Executives and Responsible Persons where the Responsible Person does not have edit access to Blueprint.

10. Corporate changes to the entity

10.1. Prior to any change in the business purpose of a SNBS, the Accountable Executive must comply with the Changes to Group Corporate Structure (“CGCS”) Standard requirements and ensure that the mandatory approvers have identified, assessed and mitigated all related risks.

10.2. The Accountable Executive must ensure that if the SNBS is no longer required, it is liquidated in accordance with the CGCS Standard. The CGCS approval process must be completed before commencing liquidation proceedings. All costs in relation to the SNBS, including liquidation, must be borne by the Accountable Executive's function or business.

10.3. When a SNBS becomes dormant, the requirements of this Standard do not need to be followed. The only requirement is to comply with all legal and regulatory requirements of the jurisdiction in which it is incorporated, and the Accountable Executive must annually assess whether the entity is still required.

11 Group Policies and Standards

One of the principal means by which effective internal control over the activities of a SNBS is maintained is through the adoption by that entity of Group policies and standards. It is generally accepted by regulators that the risk management framework, together with key policies and standards, may be determined centrally at Group level, but that each SNBS as a separate legal entity should review and adopt the framework and relevant policies and standards after adapting them as required to meet local conditions. The Accountable Executive (in consultation with the Governance

CEO, as applicable) must ensure that the SNBS adopts or applies policies and standards in accordance with the Entity Risk Governance Standards for Consolidated Entities, Branches and Subsidiaries on the RiskPod.

12. Assurance Check

The SNBS Company Secretary as the appointed Responsible Person for the SNBS will provide annual assurance against the requirements set out in this Standard through the six-monthly review process facilitated by the Group Corporate Secretariat function. If an approved Third-Party Company Secretarial Specialist is instructed, the relevant items in the company secretarial requirements checklist should be included in the scope of responsibilities of the Third-Party Company Secretarial Specialist. The Accountable Executive will provide assurance against the requirements of the Subsidiary Governance Policy and this Standard to the applicable Governance CEO and Regional CEO on a six-monthly basis through the six-monthly review process facilitated by the Group Corporate Secretariat function. All high-risk exceptions (with reference to the Group Risk Assessment Matrix) will be raised to the Regional Head of Subsidiary Governance, the Subsidiary Governance Policy Owner or nominated delegate and where appropriate GCS will escalate to the Legal, Corporate Secretariat and Shared Investigative Services Non-Financial Risk Committee (LCSNFRC).

Version Control

Date	Version	Pages	Summary of key changes
16 May 2019 Board meeting approval date	1.1	Total pages 9 Changes at Page 1	Updated to reflect changes to Group Policy on Corporate Governance for SNBS
Next review by September 2021	1.2		Annual Review
Next review by August 2022			Inclusion of relevant points for the following headers from the Subsidiary Governance Standard: <ul style="list-style-type: none"> - Roles and responsibilities - Board and Committee Functions and Responsibilities - Delegation of Authority and approval Process - Induction and Training - Group Policies and Standards - Constitution Documents

			- Assurance Check
Next review by August 2023			Annual Review