

## Audit Committee

### Terms of Reference

#### Background

Audit Committee of the Board of Directors was constituted on 1st October 2009, to assist the Board in fulfilling oversight responsibilities and to ensure that the framework of internal control, practices, and systems are robust.

<b>Membership</b>	<p><b>Chairperson and Members of the Committee</b></p> <p>The Committee shall comprise of a minimum of three Directors with independent Directors forming a majority and majority of the members of the Audit Committee including its Chairperson shall be persons with ability to read and understand financial statements.</p> <p>One Independent Director having Financial knowledge will be appointed as the Chairperson of the Committee by the Chairman of the Board.</p> <p>In the absence of the Chairperson of the Committee, the remaining members present shall elect one of themselves to chair the meeting.</p> <p><b>Reconstitution</b></p> <p>The Chairperson of the Board shall reconstitute the Committee as and when required.</p>
<b>Secretary</b>	<p>The Company Secretary shall act as Secretary to the Committee and attend all meetings.</p>
<b>Invitees</b>	<p>The following persons may be invitees to the Committee meetings:</p> <ol style="list-style-type: none"> <li>1. Managing Director &amp; CEO</li> <li>2. Board members,</li> <li>3. Chief Operating Officer</li> <li>4. Chief of Finance</li> <li>5. Head of Internal Audit</li> <li>6. Chief of Risk</li> <li>7. Representatives of audit Firm</li> <li>8. Financial consultant or other expert</li> </ol> <p>Other members of senior management of the Company / subsidiaries shall be invited based on the agenda of the meeting.</p>
<b>Quorum</b>	<p>The quorum would be one third of the strength of the Committee or two Members, whichever is higher.</p> <p>Questions arising in any meeting shall be decided by a simple majority of votes.</p> <p>A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.</p>

<b>Frequency of Meetings</b>	<p>The Committee shall meet at such times as the Chairperson of the Committee shall require but atleast one meeting be held in a financial year or shall meet at such frequency as may be prescribed under the Companies Act, 2013.</p> <p>The Chairperson of the Committee and the Chairman of the Board may each convene meetings of the Committee at any time to consider any matters falling within this Terms of Reference.</p> <p>The business of the Committee may be conducted through physical meetings or meetings in any electronic mode (audio visual means), as may be deemed appropriate by the Chairperson.</p>
<b>Duties and Responsibilities</b>	<ul style="list-style-type: none"> <li>• To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;</li> <li>• To review with management, the annual financial statements before submission to the Board, focusing primarily on; <ul style="list-style-type: none"> <li>a. Matters required to be included in Directors' responsibility statement to be included u/s sec 134(3) of the Companies Act, 2013</li> <li>b. Any changes if any, in accounting policies and practices.</li> <li>c. Major accounting entries based on exercise of judgement by management.</li> <li>d. Qualifications in draft audit report.</li> <li>e. Significant adjustments arising out of audit.</li> <li>f. The going concern assumption.</li> </ul> </li> <li>• To review &amp; recommend the Company's financial policies to the Board for approval;</li> <li>• To examine the financial statements and the auditors' report thereon;</li> <li>• To recommend to the Board, the quarterly, half yearly and annual financial statements after reviewing the same;</li> <li>• To recommend the annual budget to the Board for approval;</li> <li>• Review scrutiny of inter-corporate loans and investments;</li> <li>• To get the valuation of undertakings or assets of the company, wherever it is necessary;</li> <li>• Evaluation of internal financial controls and related financial risk management systems;</li> <li>• Monitoring the end use of funds raised through public offers and related matters. Also review performance of the investments of the company from the risk and reward optimization perspective when needed;</li> <li>• To approve fee for Statutory Audit, Internal Audit or any other audit related services as may be required to be availed by NPCI from time to time;</li> <li>• To recommend to Board for appointment, remuneration and terms of appointment of auditors of the company;</li> <li>• To review and monitor the auditor's independence and performance, and effectiveness of audit process;</li> <li>• To review with the management, performance of external and internal auditors, the adequacy of internal control systems;</li> <li>• To review the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;</li> </ul>

	<ul style="list-style-type: none"> <li>• Discussion with the Head of Internal Audit in a private session, in the absence of the management, on issues of interest;</li> <li>• To discuss with internal auditors any significant findings and follow up there on;</li> <li>• To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;</li> <li>• To discuss with Statutory Auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern;</li> <li>• To review Management audits;</li> <li>• To review the financial statements of subsidiary company/ies and more particularly the investments made by them;</li> <li>• To approve or ratify, as may be permitted by law, transactions of the Company with related parties (as defined under the applicable laws), and review significant transactions and matters related thereto;</li> <li>• To grant omnibus approval or any subsequent modification of transactions of the Company with related parties;</li> <li>• Review all issues / concerns raised in the supervisory / Inspection reports of Regulators, Reports of Statutory Auditors/ CAG and follow up action on the issues raised;</li> <li>• To take on record CAG Audit Report;</li> <li>• To take on record RBI Inspection Report;</li> <li>• To exercise its powers and carry out its responsibilities;</li> <li>• To exercise its powers and carry out its responsibilities as may be required from time to time under the Whistle Blower Policy of NPCI;</li> <li>• Approval of the appointment of CFO after assessing the qualifications, experience and background etc. of the candidate;</li> <li>• To review the complaints made under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;</li> <li>• To address and deal with such other matters as may be delegated by the Board to the Audit Committee and matters referred under applicable laws.</li> </ul>
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<b>Authority</b>	<p>Further, the Committee is empowered to do the following:</p> <ul style="list-style-type: none"> <li>i. To recommend financial sanctions, if any, to matters pertaining to this Committee;</li> <li>ii. To seek information from any employee as considered necessary;</li> <li>iii. To obtain outside legal and professional advice and to secure their attendance at the meeting as considered necessary;</li> <li>iv. To secure attendance of outsiders with relevant expertise; and</li> <li>v. To investigate any activity within its terms of reference.</li> </ul>
<b>Review</b>	This Terms of Reference shall be reviewed as and when necessary

## Business Strategy Committee

### Terms of Reference

#### Background

The Board of Directors of the Company at its meeting held on September 14, 2011, had constituted RuPay Cards Strategy Committee of the Board. RuPay Cards Strategy Committee was constituted for the pricing of RuPay card and other scope of work to be undertaken for RuPay Card. The Board at its meeting held on July 25, 2013, decided that the other existing or new business products and services of the Company should be recommended to the Board after deliberations at RuPay Card Strategy Committee. Accordingly, RuPay Card Strategy Committee was renamed as Business Strategy Committee. Also the Board at its meeting held on December 15, 2015 approved the merger of BBPS Project Monitoring and Business Strategy Committee with Business Strategy Committee. Subsequently, the Branding and Marketing Committee was merged with the Business Strategy Committee.

<b>Membership</b>	<p><b>Chairperson and Members of the Committee</b>          The Committee shall comprise of at least three Directors of the Company and one of them will be appointed as the Chairperson of the Committee by the Chairman of the Board.</p> <p>In the absence of the Chairperson of the Committee, the remaining members present shall elect one of themselves to chair the meeting.</p> <p><b>Reconstitution</b>          The Chairman of the Board shall reconstitute the Committee as and when required.</p>
<b>Secretary</b>	The Company Secretary shall act as Secretary to the Committee and attend all meetings.
<b>Quorum</b>	<p>The quorum would be one third of the strength of the Committee or two Members, whichever is higher.</p> <p>Questions arising in any meeting shall be decided by a simple majority of votes. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.</p>
<b>Frequency of Meetings</b>	<p>The Committee shall meet at such times as the Chairperson of the Committee shall require but atleast one meeting be held in a financial year. The Chairperson of the Committee and the Chairman of the Board may each convene meetings of the Committee at any time to consider any matters falling within this Terms of Reference.</p> <p>The business of the committee may be conducted through physical meetings or meetings in any electronic mode (audio visual means), as may be deemed appropriate by the Chairperson</p>

<b>Duties &amp; Responsibilities</b>	<p><b>Purpose</b></p> <p>From time to time proposals of strategic importance and import to the company come up to the board for approval. The purpose of the Business Strategy Committee is to evaluate and deliberate on strategic proposals and offer a recommendation to the Board. (such as but not limited to introduction or withdrawal of products/ lines of business; partnerships, alliances, acquisitions and mergers, strategic investments etc.; extending or withdrawing businesses / products into new geographies; marketing or brand building or business development initiatives which involve material expenditure and may or may not be a part of the original business plan and so on)</p> <p>In addition, the committee will monitor for the board, the progress and performance of the company relating to key strategic initiatives (such as but not limited to initiatives that accelerate financial inclusion or build stronger market positions or strengthening business performance and so on.)</p> <p><b>Duties and Responsibilities shall include but not be limited to</b></p> <ul style="list-style-type: none"> <li>• to evaluate proposals that fall into the charter of the Committee and make suitable recommendation(s) to the Board;</li> <li>• to approve product roadmap agendas that are of strategic nature, not including lines of business, acquisitions and mergers, strategic investments geographies and financial approvals;</li> <li>• to review and apprise the Board on any matters relating to NPCI's strategic plans, strategic initiatives, programs and policies to support NPCI's Vision and mission statement;</li> <li>• to evaluate and deliberate on strategic proposals and projects;</li> <li>• to review performance/implementation of the Company on a set of strategic initiatives that the Committee sees as relevant or as mandated by the Board and /or Chairman and apprise the Board of it from time to time and</li> <li>• To do any other act as the Board may require the Committee from time to time on the matters pertaining to business strategy development and implementation of the company</li> </ul>
<b>Authority</b>	<p>Further, the Committee is empowered to do the following:</p> <ol style="list-style-type: none"> <li>To recommend financial sanctions, if any, to matters pertaining to this Committee;</li> <li>To seek information from any employee as considered necessary;</li> <li>To obtain outside legal and professional advice and to secure their attendance at the meeting as considered necessary;</li> <li>To secure attendance of outsiders with relevant expertise; and</li> <li>To investigate any activity within its terms of reference.</li> </ol>
<b>Review</b>	<p>This Terms of Reference shall be reviewed as and when necessary</p>

## Committee of Independent Directors

### Terms of Reference

This Committee has been constituted on January 22, 2015 to look into pricing of the products and services of NPCI including waiver of charges; and reviewing the performance of the Non- Independent Directors, performance of the Chairman of the Board and the Board as a whole as prescribed under Section 149 read with Schedule IV of the Companies Act, 2013.

<b>Membership</b>	<b>Chairperson and Members of the Committee</b> All the Independent Directors of the Company shall be the Members of the Committee with RBI Nominee being a Special Invitee to this Committee. One of the Independent Directors shall be appointed by the Chairman of the Board as the Chairperson of the Committee. In the absence of the Chairperson of the Committee, the remaining members present shall elect one of themselves to chair the meeting.
<b>Secretary</b>	The Company Secretary shall act as Secretary to the Committee and attend all meetings.
<b>Quorum</b>	The quorum would be one third of the strength of the Committee or two Members, whichever is higher. Questions arising in any meeting shall be decided by a simple majority of votes. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
<b>Frequency of Meetings</b>	The Committee shall meet at such times as the Chairperson of the Committee deems appropriate, but atleast one meeting be held in a financial year or at such frequency as may be prescribed under the Companies Act, 2013. The Chairperson of the Committee and Chairman of the Board may each convene meetings of the Committee at any time to consider any matters falling within this Terms of Reference. The business of the committee may be conducted through physical meetings or meetings in any electronic mode (audio visual means), as may be deemed appropriate by the chairperson

<b>Duties &amp; Responsibilities</b>	<ul style="list-style-type: none"> <li>• Review the performance of non-independent directors and the Board as a whole;</li> <li>• Review the performance of the Chairperson of the company, taking into account the views of executive and non-executive directors</li> <li>• Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.</li> <li>• Review and decide on pricing proposals submitted by management for all products and services of NPCI.</li> <li>• Recommend waiver of charges/fees for any products or services whether existing or future, considering the urgency of the requests.</li> <li>• pricing decisions including special pricing deals with some customers/consumers</li> <li>• To ensure that the decision making on pricing decisions is conducted in a fair and unbiased method and no preferential treatment is given to any bank, especially the promoter/share holder bank or any other interested party by NPCI;</li> <li>• Approve terms of access to NPCI system/data/sandbox for product testing</li> <li>• To assist the Board in rotation of the Board seats of promoter and non-promoter shareholder directors, as advised by the Board from time to time.</li> <li>• Carry out any other function as is referred by the Board of Directors of the Company and as provided under Companies Act, 2013 from time to time.</li> </ul>
<b>Authority</b>	<p>Further, the Committee is empowered to do the following</p> <ol style="list-style-type: none"> <li>To seek information from any employee as considered necessary;</li> <li>To obtain outside legal and professional advice as considered necessary;</li> <li>To secure attendance of outsiders with relevant expertise; and</li> <li>To investigate any activity within its terms of reference.</li> </ol>
<b>Review</b>	<p>This Terms of Reference shall be reviewed as and when necessary.</p>



## Corporate Social Responsibility Committee

### Terms of Reference

Corporate Social Responsibility Committee was constituted on September 18, 2014 for carrying out charitable activities not restricted to those which are prescribed under Companies Act, 2013 or any other law for the time being in force.

<b>Membership</b>	<p><b>Chairperson and Members of the Committee</b>  The Committee shall comprise of three or more Directors out of which one director shall be an Independent Director.  One Director having knowledge in the CSR field will be appointed as the Chairperson of the CSR Committee by the Chairman of the Board  In the absence of the Chairperson of the Committee, the remaining members present shall elect one of themselves to chair the meeting.</p> <p><b>Reconstitution</b>  The Chairman of the Board shall reconstitute the Committee as and when required.</p>
<b>Secretary</b>	The Company Secretary shall act as Secretary to the Committee and attend all meetings.
<b>Quorum</b>	<p>The quorum would be one third of the strength of the Committee or two Members, whichever is higher.  Questions arising in any meeting shall be decided by a simple majority of votes.  A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.</p>
<b>Frequency of Meetings</b>	<p>The Committee shall meet at such times as the Chairperson of the Committee deems appropriate or at such frequency as may be prescribed under the Companies Act, 2013.  The Chairperson of the Committee and Chairman of the Board may each convene meetings of the Committee at any time to consider any matters falling within this terms of reference.  The business of the Committee may be conducted through physical meetings or meetings in any electronic mode (audio visual means), as may be deemed appropriate by the Chairperson.</p>

<b>Duties Responsibilities</b>	<b>&amp;</b>	<p>The CSR Committee will formulate a policy on the activities that would be the focus areas for the organization and would include some or all of the activities mentioned under Schedule VII of the Companies Act, 2013. Additionally,</p> <ul style="list-style-type: none"> <li>• Formulate and recommend to the Board, the CSR Policy, various projects which indicates the activity or activities to be undertaken by the Company in areas or subject specified in Schedule VII, including monitoring of the same and also recommend the amount of expenditure to be incurred on the CSR activities within the limits as specified under the Companies Act, 2013,</li> <li>• Evaluate and monitor the CSR policy and recommend to the Board regarding the disclosure of contents of the policy in the Board's Report;</li> <li>• To review the reports presented by the management on assessment and analysis of CSR impact on the beneficiaries</li> <li>• Inspection of the projects sites, if required, to monitor the status of the projects.</li> </ul> <p>To undertake CSR initiatives through any other Agency, Implementing partners, if any, with established track records of at least three financial years for facilitating the projects and also to be in line with NPCI's guidelines set out for identification of CSR Partner;</p> <ul style="list-style-type: none"> <li>• To institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company</li> <li>• Carry out any other function as provided under Section 135 of the Companies Act, 2013 and Schedule VII thereof and as is referred by the Board of Directors of the Company from time to time.</li> </ul>
<b>Dissemination Information</b>	<b>of</b>	<p>The CSR Policy of the Company shall be placed on the website of the Company. A detailed status report on the CSR activities carried out by the Company shall be disclosed every year as a part of the Boards' Report in the Annual Report.</p>
<b>Authority</b>		<p>Further, the Committee is empowered to do the following</p> <ol style="list-style-type: none"> <li>To give financial sanctions, if any, to matters pertaining to this Committee</li> <li>To seek information from any employee as considered necessary;</li> <li>To obtain outside legal and professional advice as considered necessary;</li> <li>To secure attendance of outsiders with relevant expertise; and</li> <li>To investigate any activity within its terms of reference.</li> </ol>
<b>Review</b>		<p>This Terms of Reference shall be reviewed as and when necessary.</p>

## Management Committee

### Terms of Reference

The Board constituted Management Committee of the Board of Directors on 15<sup>th</sup> May 2009, to provide continuity to the decision making process and to decide on the operational issues of the Company

<b>Membership</b>	<p><b>Chairperson and Members of the Committee</b>  The Committee shall comprise of at least three Directors of the Company and one of them will be appointed as the Chairperson of the Committee by the Chairman of the Board.</p> <p>In the absence of the Chairperson of the Committee, the remaining members present shall elect one of themselves to chair the meeting.</p> <p><b>Reconstitution</b>  The Chairperson of the Board shall reconstitute the Committee as and when required.</p>
<b>Secretary</b>	The Company Secretary shall act as Secretary to the Committee and attend all meetings.
<b>Quorum</b>	<p>The quorum would be one third of the strength of the Committee or two Members, whichever is higher.</p> <p>Questions arising in any meeting shall be decided by a simple majority of votes. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.</p>
<b>Frequency of Meetings</b>	<p>The Committee should meet at such times as the MCB deems appropriate and on need basis</p> <p>The Chairperson of the Committee and the Chairperson of the Board may each convene meetings of the Committee at any time to consider any matters falling within this Terms of Reference.</p> <p>The business of the Committee may be conducted through physical meetings or meetings in any electronic mode (audio visual means), as may be deemed appropriate by the Chairperson.</p>

<b>Duties &amp; Responsibilities</b>	<ul style="list-style-type: none"> <li>• To approve Capital and Revenue Expenditure proposals, proposed by Management as per the limits laid down under the Delegation of Financial Powers (DFP), as amended from time to time.</li> <li>• To recommend/approve* the acquisition and / or leasing / leave &amp; license including renewal of lease and leave &amp; license, of any property / premises/ building/ commercial, for the purpose of setting up of Office / Data Center/Guest house, etc., as per the terms and conditions stipulated and in accordance with the guidelines as prescribed and approved by the Board</li> <li>• To recommend/ approve* the construction of office building, data center etc. on (freehold /leasehold) properties acquired by the NPCI as per the terms and conditions stipulated and in accordance with the guidelines as prescribed and approved by the Board.</li> <li>• To monitor the implementation of any Board directions with respect to premises acquisition, fit outs and utilisation of space;</li> <li>• To carry out any other roles and responsibilities, address and deal with such other matters as may be delegated by the Board to the Management Committee:</li> <li>• Comprehensive oversight of the NPCI Smart Data Centre build projects at Hyderabad and Chennai. Management Committee may invite subject matter experts for discussions and provide directions/guidance as and when required. The Management Committee will recommend to the Board any financial approvals required for this project</li> </ul>
<b>Authority</b>	<p>Further, the Committee is empowered to do the following</p> <ol style="list-style-type: none"> <li>To give financial sanctions, if any, to matters pertaining to this Committee</li> <li>To seek information from any employee as considered necessary;</li> <li>To obtain outside legal and professional advice as considered necessary;</li> <li>To secure attendance of outsiders with relevant expertise; and To investigate any activity within its terms of reference.</li> </ol>

\*Note : As per the limits laid down under the Delegation of Financial Powers (DFP), as amended from time to time

## Nomination and Remuneration Committee (NRC)

Nomination Committee of the Board of Directors was constituted on 26th November 2009, to determine the Fit & Proper status of any Director before appointment and recommend the nomination to the Board for being appointed as Director whereas the Board of Directors of the Company at its meeting held on 13<sup>th</sup> June, 2011, constituted Remuneration Committee of the Board to consider and recommend to the Board the remuneration payable to Executive Directors including Managing Director. The Board at its 54<sup>th</sup> Meeting held on 28<sup>th</sup> June 2017 merged Nomination Committee with Remuneration Committee and renamed it as Nomination and Remuneration Committee. Further, the Board at its meeting held on 24<sup>th</sup> July 2018, while discussing on Terms of Reference (TOR), had noted that Nomination and Remuneration Committee (NRC) and HR Committee (HRC) are two separate board constituted Committees and suggested to examine the option of merging these two Committees into one. Basis this, a task force was formed, which had recommended the merger of the two committees. Accordingly, the HR Committee was merged into the Committee with effect from 1<sup>st</sup> April 2021.

<b>Membership</b>	<p><b>Chairperson and Members of the Committee</b></p> <p>The Committee shall comprise of at least three or more non-executive directors of the Company, out of which not less than one half shall be Independent Directors of the Company, and should include at least one member from Risk Management Committee of the Board and at least one of the members may be an HR expert.</p> <p>Provided that the Chairman of the Board (whether executive or non-executive) may be appointed as a member of the NRC but shall not chair such Committee.</p> <p>An Independent Director will be appointed as the Chairman of the Committee by the Chairman of the Board.</p> <p>In the absence of the Chairperson of the Committee, the remaining members present shall elect one of themselves to chair the meeting.</p> <p><b>Reconstitution</b> The Chairman of the Board shall reconstitute the Committee as and when required.</p>
Secretary	The Company Secretary shall act as Secretary to the Committee and attend the meetings.
Quorum	<p>The quorum would be one third of the strength of the Committee or two Members, whichever is higher.</p> <p>Questions arising in any meeting shall be decided by a simple majority of votes. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.</p>
Frequency of Meetings	<p>The Committee shall meet at such frequency as may be prescribed under the Companies Act, 2013 or at such times as the Chairperson of the Committee deems appropriate.</p> <p>The Chairperson of the Committee and Chairman of the Board may each convene meetings of the Committee at any time to consider any matters falling within this Terms of Reference.</p> <p>The business of the Committee may be conducted through physical meetings or meetings in any electronic mode (audio visual means), as</p>

	may be deemed appropriate by the Chairperson.
<b>Duties and Responsibilities</b>	<ul style="list-style-type: none"> <li>• The Committee shall be responsible for all aspects pertaining to the appointment of directors of the Company, including, to conduct due diligence and determine the 'Fit and Proper' status of the candidate to be appointed as a director as per the terms and conditions laid down by RBI;</li> <li>• To review the structure, size and composition of the Board (including skills, knowledge and experience) taking into account the current requirements and future developments of the Company, and make recommendations to the Board with regard to any adjustments that are deemed necessary;</li> <li>• Shall identify persons who are qualified to become directors and recommend to the Board, their appointment and removal;</li> <li>• Shall specify the manner for effective evaluation of performance of Board, its committees and individual directors (covering IDs, Nominee Directors representing Promoter/Non Promoter entities and Whole-Time Directors) to be carried out either by the Board/NRC/Independent agency and review its implementation and compliance;</li> <li>• To ensure development and training/ learning sessions for the Directors;</li> <li>• To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy in this regard;</li> <li>• To formulate the criteria for determining qualifications, positive attributes, etc. for the Key Managerial Personnel recommend to the Board a policy, relating to the remuneration of KMP;</li> <li>• To formulate the criteria for determining qualifications, positive attributes, etc. for the Senior Employees and approve the policy, relating to the remuneration of senior management</li> <li>• To ensure that the management tracks and complies wage bill to operating income ratio to remain well within the approved limits. The targets and achievements to be reviewed on annual basis.</li> <li>• Shall identify persons who are qualified to be appointed in senior management in accordance with the criteria laid down, their appointment and removal;</li> <li>• To oversee appointment, assessment, remuneration and succession planning etc. for one level below CEO especially Key Managerial Personnel and Senior Management and guide the Succession Planning process;</li> <li>• Make appropriate recommendations related to Leadership Development;</li> <li>• Guide the Board's Diversity Policy</li> </ul>
	<b>For Appointment/Re-appointment/Continuation of Term of</b>

**Independent Directors/Whole Time Director/Nominee Directors representing Promoter and Non- Promoter entities, as may be applicable**

- To conduct search, selection and recommend to the Board, the appointment/re- appointment and term of Directors and also recommend to the Board all aspects of the remuneration relating to them;
- To satisfy itself that processes and plans are in place, with regard to:
  - (i) training and development of the Board members, including WholeTime Directors and;
  - (ii) Succession planning for IDs/Whole time Directors.
- Whether to extend or continue the term of appointment of Independent Directors (IDs), based on the report of performance evaluation of IDs;
- To conduct search, selection and recommend to the Board, the appointment/re-appointment and term of Managing Director & CEO and also recommend to the Board, the remuneration relating to the Managing Director & CEO including all aspects of rewards and recognition viz. fixed, variable, perquisites (long term and short term).
- To set the performance goals and expectations for the MD & CEO position and review and assess the performance on annual basis.
- To satisfy itself that processes and plans are in place, with regard to succession planning for MD & CEO positions.
- To investigate and make recommendations to the Board concerning any matters relating to the continuation in office as a director of any director at any time;

**Human Resources and Personnel Policies of the Company**

- To ensure that NPCI has an approved HR Strategy and plan in place.
- To monitor, evaluate, and make decisions on behalf of the Board with respect to policies and strategic matters related to the NPCI's Human Resources and Personnel Policies ((i) Capability Building and Talent, (ii) people related processes and policies, (iii) employee relations and related compliances and (iv) Compensation- Reward and Recognition, having a Financial/Non-Financial Impact;
- Periodically review the Company's practices for supporting diversity in the workplace;
- Encourage proactive support to special needs, including a safe work environment, for women employees in the workplace;
- To actively encourage a work environment that respects transparency, integrity and a high commitment to all stakeholders of the company;

	<ul style="list-style-type: none"> <li>• Review any external evaluation of NPCI's human resources strategy and policies pertaining to the issues set out above, and report to the Board its findings and recommendations on such issues;</li> <li>• Labour Compliances :- Review its implications on the Organisation</li> <li>• To review and provide inputs on Philosophy surrounding compensation and benefits;</li> <li>• Address and deal with such other matters as may be delegated by the Board to the Committee.</li> </ul>
<b>Authority</b>	<p>Further, the Committee is empowered to do the following:</p> <ul style="list-style-type: none"> <li>i. To give financial sanctions, if any, to matters pertaining to this Committee;</li> <li>ii. To seek information from any employee as considered necessary;</li> <li>iii. To obtain outside legal and professional advice as considered necessary;</li> <li>iv. To secure attendance of outsiders with relevant expertise; and</li> <li>v. To investigate any activity within terms of reference.</li> </ul>
<b>Review</b>	This Terms of Reference shall be reviewed as and when necessary.



## Risk Management Committee

### Terms of Reference

In view of the growth in the business and transaction volumes, the Board constituted the Risk Management Committee on 22<sup>nd</sup> June 2010

<b>Membership</b>	<p><b>Chairperson and Members of the Committee</b> The Committee shall comprise of at least three Directors of the Company. One of the members having knowledge of Risk Management will be appointed as the Chairperson of the Committee by the Chairperson of the Board. The Chairperson of the Risk Management Committee shall be a member of Board of Directors and senior executives may be members of the Committee. In the absence of the Chairperson of the Committee, the remaining members present shall elect one of themselves to chair the meeting,</p> <p><b>Reconstitution</b> The Chairperson of the Board shall reconstitute the Committee as and when required.</p>
<b>Secretary</b>	The Company Secretary shall act as Secretary to the Committee and attend all meetings.
<b>Quorum</b>	<p>The quorum would be one third of the strength of the Committee or two Members, whichever is higher. Questions arising in any meeting shall be decided by a simple majority of votes. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.</p>
<b>Frequency of Meetings</b>	<p>The Committee shall meet at such times as the Chairperson of the Committee deems appropriate, but atleast one meeting be held in a quarter The Chairperson of the Committee and the Chairman of the Board may each convene meetings of the Committee at any time to consider any matters falling within this Terms of Reference.</p> <p>The business of the committee may be conducted through physical meetings or meetings in any electronic mode (audio visual means), as may be deemed appropriate by the Chairperson.</p>

<b>Duties &amp; Responsibilities</b>	<ul style="list-style-type: none"> <li>• To review and approve the risk management framework and policies proposed by management team;</li> <li>• To review and approve the implementation of the Company's internal controls and risk management framework;</li> <li>• To identify, monitor and measure Risk profile of the Company</li> <li>• To review and approve the processes and procedures proposed by management for risks identification, monitoring, control/mitigate and respond;</li> <li>• To review and approve the proposals from management team on new product introduction and significant changes in existing products, from risk management perspective;</li> <li>• To review proposals by management on any material findings of compliance risks, as well as reported breaches and any proposed regulatory changes/impact;</li> <li>• To review the control risk reports presented by management team on all risks of NPCI</li> <li>• To review the internal risk management reports at regular intervals</li> <li>• To review the reports and issues presented by management team on Cyber security related issues</li> <li>• To have periodic review of the various technological and cyber security related developments of the Company</li> <li>• To review Cyber Threat Intelligence of the Company</li> <li>• To review and oversee the security incidents, information, cyber security assessments and Security monitoring activities carried out by the Information Security division</li> <li>• To have a comprehensive oversight on data privacy</li> <li>• To engage closely in approving and monitoring of information and cyber security projects and establish priorities</li> <li>• To monitor the status on various projects and security tools implementation undertaken by risk management and CISO divisions</li> <li>• To monitor and review the non-compliance, limit breaches, audit / regulatory findings, and policy exceptions with respect to risk management.</li> <li>• To submit periodic reporting on information and cyber security activities to the Board</li> <li>• To review the appointment and removal of the Chief Risk Officer</li> <li>• To review the nature / quantum of material risks faced by NPCI group, its businesses and its subsidiaries</li> <li>• To oversee Environmental, Social and Governance (ESG) Reporting and review of various activities of the Company under the ESG Framework (as and when applicable)</li> <li>• To conduct training programs on IT Risk / Cybersecurity Risk based on evolving best practices in this regard</li> <li>• To review findings of Information and technology Audit report and make suitable recommendation(s) to the management.</li> <li>• To address and deal with such other matters pertaining to risk management as may be delegated by the Board to the Risk Management Committee.</li> </ul>
<b>Authority</b>	<p>Further, the Committee is empowered to do the following</p> <ol style="list-style-type: none"> <li>To seek information from any employee as considered necessary;</li> <li>To obtain outside legal and professional advice as considered necessary;</li> <li>To secure attendance of outsiders with relevant expertise; and</li> <li>To investigate any activity within terms of reference.</li> </ol>
<b>Review</b>	<p>This Terms of Reference shall be reviewed as and when necessary.</p>

## Technology and Project Management Committee

### Terms of Reference

The Board constituted Technology & Project Management Committee (TPMC) of the Board of Directors on 21st April 2010 for discussion of all major technology Projects before submission of the same to the Board for final approval.

<b>Membership</b>	<p><b>Chairperson and Members of the Committee</b>  The Committee shall comprise of at least three Directors of the Company. One of the members having knowledge related to Technology &amp; Project Management will be appointed as the Chairperson of the Committee by the Chairman of the Board.</p> <p>In the absence of the Chairperson of the Committee, the remaining members present shall elect one of themselves to chair the meeting.</p> <p><b>Reconstitution</b>  The Chairperson of the Board shall reconstitute the Committee as and when required.</p>
<b>Secretary</b>	<p>The Company Secretary shall act as Secretary to the Committee and attend all meetings.</p>
<b>Quorum</b>	<p>The quorum would be one third of the strength of the Committee or two Members, whichever is higher.</p> <p>Questions arising in any meeting shall be decided by a simple majority of votes.</p> <p>A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.</p>
<b>Frequency of Meetings</b>	<p>The Committee shall meet at such times as the Chairperson of the Committee deems appropriate, but atleast one meeting be held in a financial year.</p> <p>The Chairperson of the Committee and the Chairman of the Board may each convene meetings of the Committee at any time to consider any matters falling within this Terms of Reference.</p> <p>The business of the Committee may be conducted through physical meetings or meetings in any electronic mode (audio visual means), as may be deemed appropriate by the Chairperson.</p>

<b>Duties &amp; Responsibilities</b>	<ul style="list-style-type: none"> <li>• To review the progress of key projects of the Company on regular basis</li> <li>• To examine proposals presented by management and evaluate technical feasibility, viability and sustainability as per the limits laid down under the IT Procurement Policy, as amended from time to time.</li> <li>• Supervision of strategic decisions on technology, Data Centre, Information Security, surveillance systems for Data and Data Centres, high value purchases of hardware etc.</li> <li>• Review and recommend to the Board, the annual technology budget of the NPCI and whether the technology budget represents an appropriate balance of risk and benefits to sustain NPCI's growth and in terms of future readiness</li> <li>• To decide the road map for management proposals for experimentation with, and adoption of emerging innovative technologies;</li> <li>• To review findings of Information and technology Audit report and make suitable recommendation(s) to the management.</li> <li>• To address and deal with such other matters as may be delegated by the Board to the Technology and Project Management Committee; and</li> <li>• To do any other act as the Board may require the Committee from time to time.</li> </ul>
<b>Authority</b>	<p>Further, the Committee is empowered to do the following:</p> <ol style="list-style-type: none"> <li>To recommend to MCB/ Board, financial sanctions, if any, to matters pertaining to this Committee</li> <li>To seek information from any employee as considered necessary;</li> <li>To obtain outside legal/technical and professional advice as considered necessary;</li> <li>To secure attendance of outsiders with relevant expertise; and</li> <li>To investigate any activity within its terms of reference.</li> </ol>
<b>Review</b>	<p>This Terms of Reference shall be reviewed as and when necessary.</p>

## Shareholding Management Committee

### Terms of Reference

The Board constituted Shareholding Management Committee (SMC) of the Board of Directors on 11<sup>th</sup> October 2019 to examine the RBI directions on Broad basing the NPCI shareholding, evaluate the possible options/actions required to be taken by NPCI and thereby suggest an appropriate framework to monitor the implementation of the same.

<b>Membership</b>	<p><b>Chairperson and Members of the Committee</b> The Committee shall comprise of at least three Directors of the Company. In the absence of the Chairperson of the Committee, the remaining members present shall elect one of themselves to chair the meeting.</p> <p><b>Reconstitution</b> The Chairman of the Board shall reconstitute the Committee as and when required.</p>
<b>Secretary</b>	The Company Secretary shall act as Secretary to the Committee and attend all meetings.
<b>Quorum</b>	<p>The quorum would be one third of the strength of the Committee or two Members, whichever is higher. Questions arising in any meeting shall be decided by a simple majority of votes. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.</p>
<b>Frequency of Meetings</b>	<p>The Committee shall meet at such times as the Chairperson of the Committee deems appropriate. The Chairperson of the Committee and the Chairman of the Board may each convene meetings of the Committee at any time to consider any matters falling within this Terms of Reference. The business of the Committee may be conducted through physical meetings or meetings in any electronic mode (audio visual means), as may be deemed appropriate by the chairperson</p>
<b>Duties and Responsibilities</b>	<ul style="list-style-type: none"> <li>• To examine and suggest a suitable framework/actions to be taken to comply with the RBI direction of Broad basing the NPCI shareholding pattern including;               <ul style="list-style-type: none"> <li>(i) taking all steps as it deems fit, necessary, expedient and prudent towards the execution of the RBI directions.</li> <li>(ii) Recommend to the Board, the amendments to the Memorandum/ Articles of Association of the Company, if any.</li> <li>(iii) Recommend to the Board for authorising the application to be made to the Central Government or such other authorities as may be required for carrying out the amendments to the MOA/AOA, if any.</li> </ul> </li> <li>• To allot shares by way of various modes such as Rights Issues/Private Placement/Preferential Issue, etc. and such other permitted mode as provided under the Companies Act, 2013, from time to time.</li> <li>• Monitoring of any transfer/acquisition/sale/divestment of NPCI shares on a regular basis including formulation of a</li> </ul>

	<p>system/mechanism for seeking a No-Objection Certificate for any transfers/acquisition/sale/divestment, including intimation to shareholders and such other stakeholders and relevant service providers/intermediaries as may be required from time to time.</p> <ul style="list-style-type: none"> <li>• review and restructure the allocation of Board seats in line with the Broad basing activity and provide its recommendation to the Board on an appropriate Board structure for approval.</li> <li>• Carry out any other function as may be referred to the Committee by the Board of Directors of the Company.</li> </ul>
<b>Authority</b>	<p>Further, the Committee is empowered to do the following</p> <ol style="list-style-type: none"> <li>To recommend to Board, financial sanctions, if any, to matters pertaining to this Committee</li> <li>To seek information from any employee as considered necessary;</li> <li>To obtain outside legal and professional advice as considered necessary;</li> <li>To secure attendance of outsiders with relevant expertise; and</li> <li>To investigate any activity within its terms of reference.</li> </ol>
<b>Review</b>	<p>This Terms of Reference shall be reviewed as and when necessary.</p>

## Customer Service Committee

### Terms of Reference

#### Background

The Board of Directors of the Company at its meeting held on 18<sup>th</sup> November 2021, constituted the Customer Service Committee in order to encourage a monitoring mechanism to review customer service aspects in the Company and to provide direction to the management of the Company on actions to be taken to improve the metrics and initiate prompt corrective action wherever service quality / skill gaps have been noticed.

<b>Membership</b>	<b>Chairperson and Members of the Committee</b> The Committee shall comprise of at least three Directors of the Company and one of them will be appointed as the Chairperson of the Committee by the Chairperson of the Board. The Committee shall have at least one member representing the ultimate users of NPCI services. The Committee may also include experts and representatives of customers as invitees. In the absence of the Chairperson of the Committee, the remaining members present shall elect one of themselves to chair the meeting.
<b>Secretary</b>	The Company Secretary shall act as Secretary to the Committee and attend all meetings.
<b>Quorum</b>	The quorum would be one third of the strength of the Committee or two Members, whichever is higher. Questions arising in any meeting shall be decided by a simple majority of votes. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
<b>Frequency of Meetings</b>	The Committee shall meet at such times as the Chairperson of the Committee shall require but atleast one meeting be held in a financial year. The Chairperson of the Committee and the Chairman of the Board may each convene meetings of the Committee at any time to consider any matters falling within this Terms of Reference. The business of the committee may be conducted through physical meetings or meetings in any electronic mode (audio visual means), as may be deemed appropriate by the Chairperson.

<b>Duties &amp; Responsibilities</b>	<p><b>Duties and Responsibilities shall include but not be limited to</b></p> <ul style="list-style-type: none"> <li>• Evolving innovative measures for enhancing the quality of customer services including B2B (bank and non-banks) and B2C and in improvement of overall satisfaction of customers</li> <li>• Review the results of the Annual Member Satisfaction Survey (MSAT), Net Promoter Score (NPS) or any other external/internal assessments undertaken by the Company, to assess the perceptions and expectations of customers, including understanding their experience/feedback on various aspects of the Company's platforms, products and services. The key insights from the surveys to be periodically placed at the Committee/Board meetings</li> <li>• To ensure that the Company achieves desirable outcome on the NPS and MSAT in the top most tier as per industry standards.</li> <li>• To ensure that the Company <ul style="list-style-type: none"> <li>(i) provides and continues to provide best-in-class services across all its category of customers;</li> <li>(ii) is leveraging technology to improve response time to customers;</li> <li>(iii) is able to protect and grow its brand equity;</li> </ul> </li> <li>• To review and monitor the use of grievance redressal initiatives/service delivery channels like access through toll free numbers, help-line, mails, online complaints, chatbot etc.</li> <li>• To review and monitor the steps and remedial actions taken by the NPCI to reduce the customer complaints.</li> <li>• To periodically review the Customer Service dashboard (no. of complaints received, feedback and redressed)</li> <li>• To ensure implementation of directives received, if any, from the regulators, Banking Ombudsman, Government etc. and / or enforced by any statutory modification, amendment or modifications as may be applicable, with respect to rendering of services to the customers.</li> <li>• To do any other act as the Board may require the Committee from time to time on the matters pertaining to the same</li> </ul>
<b>Authority</b>	<p>Further, the Committee is empowered to do the following</p> <ol style="list-style-type: none"> <li>To recommend financial sanctions, if any, to matters pertaining to this Committee</li> <li>To seek information from any employee as considered necessary;</li> <li>To obtain outside legal and professional advice as considered necessary;</li> <li>To secure attendance of outsiders with relevant expertise; and</li> </ol>



	v. To investigate any activity within its terms of reference.
<b>Review</b>	This Terms of Reference shall be reviewed as and when necessary