

Customer and Stakeholders Service Committee

Terms of Reference

Background:

The Management Committee of the Board (erstwhile) was constituted on 15th May 2009 to provide continuity to the decision-making process and to ascertain the operational issues of the Company. Based on the recommendations of the Internal Board Level Committee (IBLC) that was constituted *inter alia* to examine the existing Board level committees and in alignment with the best industry norms and practices, the other Board level Committees i.e. Shareholding Management Committee (SMC) and the Customer Service Committee (CSC), were merged with the Management Committee of the Board with effect from 4th April 2024, considering the regulatory framework and the business of the company,. Post Board approval, the newly constituted committee was renamed as the Customer and Stakeholders Service Committee (CSSC).

The Management Committee (erstwhile) was established on 15th May 2009 to ensure the decision-making process and address the Company's operational matters. The Internal Board Level Committee (IBLC), formed among other things to scrutinize the existing Board level committees, recommended aligning with the best industry standards and practices. Consequently, the Shareholding Management Committee (SMC) and the Customer Service Committee (CSC) were merged into the Management Committee of the Board, effective from 4th April 2024, given the company's regulatory framework and business. Following the Board's approval, the newly formed committee was renamed as the Customer and Stakeholders Service Committee (CSSC).

Composition
<p>Chairperson and Members of the Committee</p> <p>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.</p> <p>The Committee shall have at least one member representing the ultimate users of NPCI services and may also include experts and representatives of customers as invitees.</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>Reconstitution:</p> <p>The Chairperson of the Board shall reconstitute the Committee as and when required.</p>

Secretary

The Company Secretary shall act as a Secretary to the Committee and attend all the meetings.

Quorum

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.

Frequency of Meetings

The Committee shall meet at such times as the Chairperson of the Committee shall require but at least one meeting be held in a financial year. 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.

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.

Duties & Responsibilities**I. For Acquisition/leasing/construction/setting up**

- To approve Capital and Revenue Expenditure proposals, proposed by the Management as per the limits laid down under the Delegation of Financial Powers (DFP), as amended from time to time;
- To recommend/approve i) the acquisition and / or leasing / leave & license including renewal thereof, of any property / premises/ building/ commercial, for the purpose of setting up of Office / Data Center/Guest house, etc., and ii) 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.
- Oversight of NPCI Smart Data Centre projects in Hyderabad, Chennai and any other Indian locations, including inviting subject matter experts, providing directions/guidance, as and when required and recommend if any, financial approvals to the Board.

II. Customer Experience Enhancement:

- Ensuring the implementation of innovative measures to enhance the quality of customer services across B2B (bank and non-banks) and B2C segments, with the overarching goal of enhancing overall customer satisfaction.
- Reviewing outcomes from the Annual Member Satisfaction Survey (MSAT), Net Promoter Score (NPS), and other assessments to evaluate customer perceptions and expectations. This encompasses analyzing feedback on different facets of the Company's platforms, products, and services to enhance understanding of customer experiences.

III. Service Excellence, Compliance, and Regulatory Oversight:

- Reviewing and assessing the effectiveness of grievance redressal initiatives, service delivery channels (including toll-free numbers, helplines, online complaints, and chatbots), and steps aimed at reducing customer complaints.
- Conducting periodic reviews of the Customer Service dashboard to evaluate complaint, trends, feedback, and parameters related to customer confidentiality and data protection.
- Ensuring compliance with directives from Regulators, Banking Ombudsman, Government, etc., and enforcing statutory notifications, amendments, or modifications pertinent to customer service delivery.

IV. Execution of RBI Directions and Share Allotment Oversight:

- To take all steps as it deems fit, necessary, expedient and prudent towards the execution of the any RBI directions issued from time to time pertaining to shareholding management of the Company.
- Regular monitoring of NPCI share transfers/acquisitions/sales/divestments, including establishing a system for obtaining No-Objection Certificates and informing stakeholders.

V. Carrying out additional roles and responsibilities delegated by the Board to the Committee.**Authority**

Further, the Committee is empowered to:

- i. Give financial sanctions, if any, to matters pertaining to this Committee
- ii. Seek information from any employee as considered necessary
- iii. Obtain outside legal and professional advice as considered necessary
- iv. Secure attendance of outsiders with relevant expertise; and
- v. Investigate any activity within its terms of reference.

Review
This Terms of Reference shall be reviewed as and when necessary

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

Audit Committee Terms of Reference

Background

The Audit Committee of the Board of Directors ("The Committee") was constituted by the Board 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. The Audit Committee aims to enhance the integrity of the company's financial reports, the internal control processes and procedures, and the risk management systems.

Purpose of the Committee-

The Committee is established by the Board of Directors to primarily assist in:

- Overseeing the integrity of the Company's financial statements
- Overseeing the Company's compliances with legal and regulatory requirements.
- Monitor the effectiveness and objectivity of internal and external auditors.
- Encouraging continuous improvement of policies, procedures, and practices.
- Overseeing the systems of disclosure controls and procedures, internal controls over financial reporting, and compliance with ethical standards adopted by the Company.

Composition

Chairperson and Members of the Committee

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.

One Independent Director having financial knowledge will be appointed as the Chairperson of the 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.

Reconstitution:

The Chairperson of the Board shall reconstitute the Committee as and when required.

Secretary

The Company Secretary shall act as a Secretary to the Committee and attend all the meetings.

Invitees

The following people may be invitees to the Committee meetings:

1. Managing Director & CEO
2. Board members,
3. Chief Operating Officer
4. Chief of Finance

5. Head of Internal Audit
6. Chief of Risk
7. Representatives of audit Firm
8. Financial consultant or another expert

Other members of senior management of the Company / group subsidiaries shall be invited based on the agenda of the meeting.

Quorum

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

Frequency of Meetings

The Committee shall meet at such times as the Chairperson of the Committee shall require but at least one meeting be held in a financial year or shall meet at such frequency as may be prescribed under the Companies Act, 2013.

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 these 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.

Duties and Responsibilities

Financial Reporting-

- 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.
- Reviewing the selection and application of critical accounting policies and processes, warranting consistent application.
- Reviewing the annual financial statements and auditor's report thereon with the management before submission to the board focusing primarily on-
 - a. Matters required to be included in Directors' responsibility statement to be included u/s sec 134(3) of the Companies Act, 2013
 - b. Any changes if any, in accounting policies and practices.
 - c. Major accounting entries based on exercise of judgement by management.
 - d. Qualifications in draft audit report.
 - e. Significant adjustments arising out of audit.
 - f. disclosure of any related party transactions;
 - g. The going concern assumption.
- Reviewing the financial statements of subsidiary company/companies, especially the investments made by them.
- Reviewing and recommending the Company's financial and other related policies to

the Board for approval.

- Examining and recommending quarterly, half yearly, and annual financial statements and the auditors' report including limited review report thereon to the Board.
- Recommending annual budget and seeking approval from the board.
- Reviewing the scrutiny of inter-corporate loans and investments.
- Seeking valuation of undertakings or assets of the company, wherever it is necessary.
- 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.

Statutory Audit

- Approving the fee for Statutory Audit including Limited Review fee or any other audit related services as may be required to be availed by NPCI from time to time.
- 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;

Internal Audit

- Reviewing and approving the internal audit plan, including the scope, risk assessment, and resources.
- Reviewing performance of internal auditors and the adequacy of internal control systems. (if required)
- Reviewing the adequacy of internal audit function, staffing and seniority of the official heading the department, reporting structure coverage and the frequency of internal audit. (if required)
- Engaging in an exclusive/separate discussion with the Head of Internal Audit in the absence of the management, on issues of interest. (on need basis)
- Evaluating financial controls and related financial risk management systems.
- Discussing any significant findings with the internal auditors and follow up there on.
- Reviewing the findings of any internal investigations into matters concerning suspected fraud, irregularity, misconduct, or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Reviewing Management audits.

Other matters

- Approval of transaction of the Company with the Related Parties including granting omnibus approval or any subsequent modification thereto.
- Recommending appointment, remuneration, and terms of appointment of auditors (Statutory Auditor, Internal Auditor, Tax Auditor, Secretarial Auditor and any other auditor) of the company to the Board.
- Reviewing all issues / concerns raised in the supervisory / Inspection reports of Regulators, Reports of Statutory Auditors/ CAG and follow up action on the issues raised.
- Taking on record the RBI Inspection Report.
- Taking on record the CAG Audit Report.
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
- Approving or ratifying the transactions of the Company with related parties (as defined under the applicable laws), and reviewing significant transactions and matters related thereto.
- Exercising its powers and carrying out its responsibilities as may be required from time to time under NPCI's Whistle Blower Policy/ Vigil Mechanism.
- Approving the appointment of the CFO after assessing the qualifications,

experience, background etc. of the candidate.

- Reviewing the complaints made under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- Addressing and dealing with such other matters as may be delegated by the Board to the Audit Committee and matters referred to under the applicable laws.

Authority

Further, the Committee is empowered to:

- i. Recommend financial sanctions, if any, to matters pertaining to this Committee,
- ii. Seek information from any employee as considered necessary,
- iii. Obtain external legal and professional advice and to secure their attendance at the meeting as considered necessary,
- iv. Secure attendance of outsiders with relevant expertise; and
- v. Investigate any activity within its terms of reference.

Review

These Terms of Reference shall be reviewed as and when necessary.

Business Strategy Committee

Terms of Reference

Background:

The Board of Directors, during its meeting on September 14, 2011, established the RuPay Cards Strategy Committee to handle the pricing and related matters concerning RuPay cards. Subsequently, at a meeting on 25th July 2013, the Board decided that recommendations for the company's existing or new business products and services should be presented to the Board following deliberations within the reconstituted Business Strategy Committee. This committee, originally named the RuPay Card Strategy Committee, was later renamed the Business Strategy Committee. As a result, the "BBPS Project Monitoring and Business Strategy Committee" and the "Branding and Marketing Committee" were merged into the "Business Strategy Committee."

Purpose of the Committee-

The purpose of the Business Strategy Committee is to evaluate and deliberate on strategic proposals and offer recommendation to the Board (including 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).

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).

Membership

Chairperson and Members of the Committee

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.

In the absence of the Chairperson of the Committee, the remaining members present shall elect one of themselves to chair the meeting.

Reconstitution:

The Chairperson of the Board shall reconstitute the Committee as and when required.

Secretary

The Company Secretary shall act as Secretary to the Committee and attend all meetings

Quorum

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.

Frequency of Meetings

The Committee shall meet at such times as the Chairperson of the Committee shall require but at least one meeting be held in a financial year.

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.

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

Duties & Responsibilities

- to evaluate and deliberate on strategic proposals and projects that fall into the charter of the Committee and make suitable recommendation(s) to the Board.
- to approve product roadmap agendas that are strategic in nature, not including lines of

business, acquisitions and mergers, strategic investments geographies, and financial approvals;

- 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;
- to review the performance of the Company on a set of strategic initiatives that the Committee sees as relevant or as mandated by the Board and /or Chairperson and apprise the performance and its implementation to the Board from time to time and
- To do any other act as the Board may require the Committee from time to time on matters pertaining to business strategy development and implementation by the company.

Authority

Further, the Committee is empowered to:

- i. Recommend financial sanctions, if any, to matters pertaining to this Committee,
- ii. Seek information from any employee as considered necessary,
- iii. Obtain legal and professional advice externally and to secure their attendance at the meeting as considered necessary,
- iv. Secure attendance of outsiders with relevant expertise, and
- v. Investigate any activity within its terms of reference.

Review

This Terms of Reference shall be reviewed as and when necessary

Committee of Independent Directors

Terms of Reference

Background:

The Committee of Independent Directors ("the Committee") was constituted on 22nd January 2015 to oversee the pricing of NPCI products and services, including considerations for waiving charges. Additionally, the Committee is tasked with reviewing the performance of Non-Independent Directors, the Chairperson of the Board, and the Board as a whole, as stipulated under Section 149 read with Schedule IV of the Companies Act, 2013 ("the Act").

Purpose

To meet the compliance requirements of Principles for Financial Market Infrastructure (PFMI), the Committee of Independent Directors (the Committee) has been constituted to put in place necessary governance arrangements that address any possible or perceived conflict of interest situations. The Committee reviews all the pricing decisions related to the products and services of the Company and ensures that the pricing decisions are conducted in fair, unbiased and transparent manner. The Committee also deals with the matters which are required to be dealt by a meeting of Independent Directors as prescribed under the Companies Act 2013.

Composition
<p>Chairperson and Members of the Committee</p> <p>All the Independent Directors of the Company shall be the Members with RBI Nominee being a Special Invitee to this Committee. Chairman of the Board shall be the Chairperson of the meeting.</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>
Secretary
The Company Secretary shall act as Secretary to the Committee and attend all 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</p>

exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

Frequency of Meetings

The Committee shall meet at such times as the Chairperson of the Committee deems appropriate, but at least one meeting be held in a financial year or at such frequency as may be prescribed under the Companies Act, 2013 without the attendance of non-independent directors and members of management;

The Committee can meet for an exclusive discussion without the presence of the management if it deems necessary.

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

Duties & Responsibilities

As per Schedule IV of the Companies Act, 2013

- Reviewing the performance of non-independent directors and the Board as a whole;
- Reviewing the performance of the Chairperson of the company, taking into account the views of executive and non-executive directors
- Assessing the quality, quantity and timeliness of flow of information between the company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Pricing of NPCI products and services-

- Reviewing and deciding pricing proposals submitted by the management for all products and services of NPCI.
- Recommending waiver of charges/fees for any products or services whether existing or for future, considering the urgency of the requests.
- Making pricing decisions including special deals with some customers/consumers
- Ensuring fair and unbiased decision making related to pricing and that no bank is provided with preferential treatment especially the promoter/share holder bank or any other interested party by NPCI;
- Approving terms of access to NPCI system/data/sandbox for product testing.

Other Responsibilities

- Assisting the Board in rotation of the Board seats of promoter and non- promoter shareholder directors, as advised by the Board from time to time.
- Carry out any other function as is referred by the Board of Directors of the Company and

as provided under Act from time to time.

Authority

Further, the Committee is empowered to-

- i. Seek information from any employee as considered necessary;
- ii. Obtain legal and professional advice externally as considered necessary;
- iii. Secure attendance of outsiders with relevant expertise; and
- iv. Investigate any activity within its terms of reference.

Review

This Terms of Reference shall be reviewed as and when necessary

Corporate Social Responsibility Committee

Terms of Reference

Background:

The Corporate Social Responsibility Committee (“the Committee”) was constituted on September 18, 2014, for carrying out charitable activities that are not restricted to ones prescribed under the Companies Act, 2013 (“Act”) or any other law for the time being in force. The Committee has been vested with the full responsibility of formulating Policy framework, allocating budget, planning and execution of CSR activities and make recommendations in this regard to the Board of Directors. The Committee also assesses the impact of CSR activities undertaken by the Company.

Purpose-

The CSR committee has been constituted under the Act to serve purposes beyond compliance with the statutory obligations. The Committee aims at planning, implementing, and monitoring activities that successfully meet social obligations in the most efficient and transparent manner. This Committee attempts at fostering sustainable development and inclusive growth. Thus, to positively impact various stakeholders and promote a more equitable and sustainable business environment by encouraging businesses to embrace their responsibility towards society, it is imperative for NPCI’s CSR committee to endeavour at contributing to address social and environmental challenges.

Composition
<p>Chairperson and Members of the Committee</p> <p>The Committee shall comprise of three or more Directors out of which one director shall be an Independent Director.</p> <p>One Director having knowledge in the CSR field will be appointed as the Chairperson of the CSR 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>Reconstitution:</p> <p>The Chairperson 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 all meetings.

Quorum

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.

Frequency of Meetings

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 Act.

The Chairperson of the Committee and Chairperson 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.

Duties & Responsibilities**CSR policy:**

- The CSR Committee will formulate and recommend to the Board, a CSR 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 Act.
- Evaluate and monitor the CSR policy from time to time;
- Recommend to the Board regarding the disclosure of contents of the policy and such other disclosures as required under Act to be included in the Board's Report;

CSR Annual Action Plan and Projects:

- To formulate and recommend to the Board, CSR Budget and Annual Action Plan, any modification therein and its implementation, in accordance with the Company's CSR policy and provisions of applicable laws from time to time.
- To formulate and recommend to the Board, various projects which indicates the activity or activities to be undertaken by the Company in areas or subjects specified in Schedule VII, and also recommend the amount of expenditure to be incurred on the CSR activities within the limits as specified under the Act,

- To undertake CSR initiatives through other agencies or implementing partners with a track record of at least three financial years, adhering to NPCI's guidelines for selecting CSR partners;

Monitoring and Impact assessment

- To establish a transparent monitoring mechanism for overseeing the implementation of the CSR Annual Action Plan, CSR projects or programs or activities undertaken by the Company
- To undertake impact assessment of the CSR activities through an independent agency;
- To review the reports presented by the management on assessment and analysis of CSR impact on the beneficiaries
- Inspection of the projects sites, if required, to monitor the status of the projects.

Carry out any other function as provided under Section 135 of the Companies Act, 2013 and Schedule VII thereof and/or as is referred by the Board of Directors of the Company from time to time.

Dissemination of Information

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

Authority

Further, the Committee is empowered to-

- To give financial sanctions , if any, to matters pertaining to this Committee
- Seek information from any employee as considered necessary;
- Obtain legal and professional advice externally as considered necessary;
- Secure attendance of outsiders with relevant expertise; and
- Investigate any activity within its terms of reference.

Review

This Terms of Reference shall be reviewed as and when necessary

Nomination and Remuneration Committee (NRC)

Background

- The Nomination Committee was established on November 26, 2009, to assess the 'Fit & Proper' status of Directors before their appointment and recommend them to the Board.
- The Remuneration Committee, formed on June 13, 2011, reviews and suggests remuneration for Executive Directors, including the Managing Director.
- The Board merged the Nomination Committee with the Remuneration Committee on June 28, 2017, renaming it the Nomination and Remuneration Committee.
- During the meeting on July 24, 2018, the Board discussed merging the Nomination and Remuneration Committee with the HR Committee. A task force recommended and implemented this merger effective April 1, 2021.

Purpose of the Committee-

- Formulating a criterion for appointment of Executive, Non-Executive and Independent Directors on the Board
- Formulating a criterion for determining and evaluating the qualifications, attributes, and independence of a director.
- Devising a policy on Board diversity, composition, size, etc. Recommending the appointment and removal of Directors.
- Ensure Succession planning

Composition

Chairperson and Members of the Committee

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 the Risk Management Committee of the Board and at least one of the members may be an HR expert.

Provided that the Chairperson of the Board (whether executive or non- executive) may be appointed as a member of the NRC but shall not chair such Committee.

An Independent Director will be appointed as the Chairperson of the Committee by the Chairperson 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.

Reconstitution:

The Chairperson of the Board shall reconstitute the Committee as and when required.

Invitees

The Committee may invite such of the whole-time directors and/ or other executives of the Company as it may deem appropriate to be present at its meeting/s.

Secretary

The Company Secretary shall act as a Secretary to the Committee and attend all the meetings.

Quorum

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.

Frequency of Meetings

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.

The Chairperson of the Committee and Chairperson 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 deemed appropriate by the Chairperson

Duties & Responsibilities

Recommendation / Appointment Directors, Key Managerial Personnel and Senior Management Personnel

- 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
- To identify, select, and recommend to the Board, the appointment/re-appointment and term of Whole-time Director and Managing Director & CEO, the remuneration payable to them including all aspects of rewards and recognition viz. fixed, variable, perquisites (long term and short term)
- Identify candidates who are qualified to become Directors and who may be appointed in senior management and recommend to the Board their appointment and removal;
- 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;
- All aspects pertaining to the appointment of directors of the Company, including, conducting of due diligence and determining the suitability of any candidate and 'Fit and

Proper' status of the candidate to be appointed / re-appointed as a director as per the terms and conditions laid down by RBI and applicable laws;

- To identify persons who are qualified to be appointed in senior management or KMP in accordance with the criteria laid down, their appointment and removal;

Policies relating to the appointment and remuneration

- To formulate the criteria for determining qualifications, positive attributes for the Directors (Executive, Non-Executive and Independent Directors) including independence of a director, Key Managerial Personnel and recommend to the Board a policy in this regard as well as on the remuneration of Directors and KMPs;
- 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.

Annual Performance Evaluation

- 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;
- To set the performance goals and expectations for the MD & CEO position and review and assess the performance on annual basis.
- To make suitable recommendation(s) on extension or continuation of term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors

Succession Planning

- Succession planning (including the development of a diverse pipeline for succession) for the Board including evaluating and recommending continuation or extension of service of individual members of the Board as appropriate for cause or for other proper reasons;
- Make appropriate recommendations related to Leadership Development;
- To oversee appointment, assessment, remuneration and succession planning etc. for one level below CEO and senior management and guide the Succession Planning process.

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;
To review and provide inputs on Philosophy surrounding compensation and benefits.
- 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. 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;
- To review the Labour Compliances and its implications on the Organisation;
- To ensure that the management tracks and complies with the wage bill to operating income ratio to remain well within the approved limits. The targets and achievements to be reviewed on annual basis;

Others

- Devise a Policy on Board Diversity, review it periodically and recommend revisions in the Policy to the Board
- To co-ordinate activities with other Committees, in instances where there is any overlap with duties and responsibilities of such Committees.
- To address and deal with such other matters as may be delegated by the Board to the Committee.

Authority

Further, the Committee is empowered to do the following:

- Give financial sanctions, if any, to matters pertaining to this Committee
- Seek information from any employee as considered necessary
- Obtain legal and professional advice externally as considered necessary
- Secure attendance of outsiders with relevant expertise; and
- Investigate any activity within its terms of reference.

Review

This Terms of Reference shall be reviewed as and when necessary

Risk Management Committee

Terms of Reference

Background

Taking into consideration the business growth and increase in transaction volume, the Risk Management Committee was constituted by the Board on 22nd June 2010 to identify the internal and external risks, *inter alia*, financial, operational, sectoral, sustainability/ ESG, information, cyber security risks, legal and regulatory risks. The Risk Management Committee of NPCI ensures that the company has implemented an effective, ongoing process to identify risk, measure its potential impact against a broad set of assumptions, and to activate necessary channels to pro-actively manage these risks.

Purpose-

- ☐ Assessing the company's risk profile, focusing on key risk areas to enhance strategic decision-making and operational resilience.
- ☐ Articulating robust policies for oversight and management of business risks to mitigate potential threats and vulnerabilities.
- ☐ Exercising oversight to ensure management's adherence to cyber security policies and practices, safeguarding sensitive information and systems.
- ☐ Reviewing and enhancing the integrity and effectiveness of risk management systems specifically related to cyber and information security, ensuring comprehensive protection strategies are in place.

Composition

Chairperson and Members of the Committee

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 the 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,

Reconstitution

The Chairperson of the Board shall reconstitute the Committee as and when required

Secretary

The Company Secretary shall act as Secretary to the Committee and attend all meetings.

Quorum

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.

Frequency of Meetings

The Committee shall meet at such times as the Chairperson of the Committee shall require but at least one meeting be held in a financial year. 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.

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.

Duties and Responsibilities**Risk Related-**

- Review and approve the risk management framework, policies, and internal controls implementation.
- Identify, monitor, and measure the risk profile of NPCI group, its businesses, and subsidiaries.
- Review and approve processes for risk identification, monitoring, mitigation, and response.
- Evaluate new product introductions and significant changes in existing products from a risk management perspective.
- Assess management proposals concerning compliance risks, reported breaches, and regulatory impacts.
- Review control and internal risk management reports regularly.
- Review and acknowledge self-assessment reports (PFMI) and fraud landscape dashboards.
- Monitor non-compliance, limit breaches, audit/regulatory findings, and policy exceptions related to risk management.

Oversight of Chief Risk Officer appointments and removals.

Infosec Related-

- Engage in approving, monitoring, and periodically reviewing information technology, cyber security activities, projects, and related developments. Establish priorities and submit periodic reports to the Board.
- Review management reports on cyber security issues and assess Cyber Threat Intelligence.
- Oversee security incidents, cyber security assessments, and monitoring activities conducted by the Information Security division.
- Provide comprehensive oversight on data privacy and data protection.
- Monitor the implementation status of projects and security tools by the risk management and CISO divisions.
- Conduct training programs on IT Risk and Cybersecurity based on evolving best practices.
- Review findings from Information and Technology Audit reports and make recommendations to management as appropriate.

ESG Related-

- To oversee Environmental, Social and Governance (ESG) Reporting and review of various activities of the Company under the ESG Framework (as and when applicable)
- To address and deal with such other matters pertaining to risk management as may be delegated by the Board to the Risk Management Committee

Authority

Further, the Committee is empowered to

- i. Seek information from any employee as considered necessary,
- ii. Obtain legal and professional advice externally as and when considered necessary,
- iii. Secure attendance of outsiders with relevant expertise, and
- iv. Investigate any activity within the Terms of Reference.

Review

This Terms of Reference shall be reviewed as and when necessary.

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.

Membership	<p>Chairperson and Members of the Committee The Committee shall comprise of at least three Directors of the Company. One of the members having knowledge related to Technology & 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>Reconstitution The Chairperson 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 all 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.</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>
Frequency of Meetings	<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>

Duties & Responsibilities	<ul style="list-style-type: none"> • To review the progress of key projects of the Company on regular basis • 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. • Supervision of strategic decisions on technology, Data Centre, Information Security, surveillance systems for Data and Data Centres, high value purchases of hardware etc. • 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 • To decide the road map for management proposals for experimentation with, and adoption of emerging innovative technologies; • To review findings of Information and technology Audit report and make suitable recommendation(s) to the management. • To address and deal with such other matters as may be delegated by the Board to the Technology and Project Management Committee; and • To do any other act as the Board may require the Committee from time to time.
Authority	<p>Further, the Committee is empowered to do the following:</p> <ol style="list-style-type: none"> To recommend to MCB/ Board, financial sanctions, if any, to matters pertaining to this Committee To seek information from any employee as considered necessary; To obtain outside legal/technical and professional advice as considered necessary; To secure attendance of outsiders with relevant expertise; and To investigate any activity within its terms of reference.
Review	<p>This Terms of Reference shall be reviewed as and when necessary.</p>