1. **Purpose:** The purpose of this Charter is to define the role, responsibilities of the Board of Directors, individual directors and the Management of the Corporation in the endeavour to satisfy expectations of stakeholders while maintaining high standards of Corporate Governance.

1.1. **Applicability of this Charter**
This Board Charter applies to all members of the Board and senior management of the Company.

2. **ROLE OF THE BOARD**
The primary role of the Board is that of trusteeship to protect the interest of company, its stakeholders and enhance their value. As trustee, the Board ensures that the company has clear goals and policies for achievement which are in alignment with the Vision and Mission of the company.

The Board provides strategic direction, reviews corporate performance, authorises and monitors strategic decisions, ensures regulatory compliances and safeguards interest of stakeholders.

The Board is responsible for maintaining and nurturing high levels of the corporate governance of the company.

**In performing its role, the Board should act at all times:**

(a) in accordance with its overriding responsibility to act honestly and fairly and in accordance with the law, in serving the interests of the Company’s Shareholders; as well as its employees, customers and the community;

(b) in a manner designed to create and build sustainable value in the Company for Stakeholders;
(c) in accordance with the duties and obligations imposed upon it by the constitution of the Company and by law; and—

(d) with integrity and objectivity, and in accordance with the ethical and other standards set out in the Company's corporate governance policies and codes of conduct.

2.1 Responsibilities of the Board

The Board is responsible to the Stakeholders for the overall strategy, governance and performance of the Company. The responsibilities of the Board include the following:

(a) **Strategy**
- Reviewing and approving the Company's major strategies, financial objectives and plans
- Decision making regarding matters of a sensitive, extraordinary or strategic nature;
- Approving and monitoring capital management and major capital expenditure
- Providing advice and counselling to senior management on a periodic and adhoc basis
- Monitoring the implementation of the policies, strategies for achievements of objectives of the Company.

(b) **Corporate Governance**
- Ensuring procedures and compliance controls are established and are operating effectively to promote best practice corporate governance
- Monitoring the performance of senior management and its implementation of strategy and budgets;
- Approving senior management remuneration policies and practices;
- Reporting to Shareholders;
- Reviewing and ratifying the integrity of internal control and reporting systems;
- Reviewing and ratifying strategic risk management systems;
Board Charter

- Evaluation of Board processes and performance;
- Reviewing the adequacy of systems to comply with all laws and regulations which apply to the Company and its business and operations; and
- Monitoring compliance with regulatory requirements and ethical standards.

(c) Operations
- Reviewing and ratifying/approval of accounts and monitoring financial results on an ongoing basis
- Reviewing the operation of the Corporation and achievement of various performance parameters provided in MoU with the Administrative Ministry from time to time.

2.2. BOARD COMMITTEES

2.2.1. The Board may establish Committees as it considers appropriate to assist it in executing its functions.

2.2.2. The permanent Committees of the Board are:
  - the Audit Committee and
  - the Remuneration Committee

2.2.3. The Board appoints or revokes the appointment of Committee members, the majority of whom for each Committee will be Independent Director(s) as assessed by the Board.

   The term ‘independent director’ shall have the meaning as defined in the Guidelines on Corporate Governance for CPSEs prescribed vide Department of Public Enterprises Office Memorandum No. 18(2)/2005-GM dated 14th May, 2010 or as may be changed from time to time.

2.2.4. The Chairman of Audit Committee will be an Independent Director.
2.2.5. The Board shall review annually the composition of each Committee to ensure each Committee has an appropriate balance of experience and expertise in various functional areas.

2.2.6. The Board sets out the terms of reference/ responsibilities delegated by the Board to the Committee and the Committee’s structure and operation.

2.2.7. The role of a Committee is to operate within the terms of its charter and to take decisions and/or make recommendations to the Board for decision.

3. **CHAIRMAN**

3.1. The President shall appoint one of the Directors to act as a Chairman of the Board of Directors. Till any Chairman is appointed by the President, the Board will appoint one of its Directors to act as a Chairman.

3.2. Where the Chairman is absent from a Board meeting, a Chairman for the meeting will be appointed by the present members of the Board.

3.3. The principal role of the Chairman is to provide leadership to the Board and ensure that the Board works effectively and discharges its responsibilities.

3.4. The Chairman will serve as the primary link between the Board and management. The Chairman will work with Secretary of the company to set the agenda for each Board meeting and is responsible for ensuring that all directors are adequately briefed in relation to issues addressed at Board meetings.

4. **DELEGATION TO MANAGEMENT**

4.1. The ultimate authority over the day-to-day management of the Company vests with the Board of Directors. However, the Board delegates responsibility for the day-to-day management of the Company to the Managing Director and other senior executives of the Company.
5.0 **SENIOR EXECUTIVES AND MANAGEMENT**

5.1 **Managing Director**

The Managing Director is responsible for the executive management of the Company and is accountable to the Board for its day-to-day operations. The Managing Director acts under the supervision, control and direction of the Board.

5.2. **Senior management**

The Board delegates authority over the day-to-day management of the Company to the Managing Director/Senior Management for enabling them deal with the day to day issues and also for;

(a) developing business plans, budgets and Company strategies for consideration by the Board and, subject to their approval by the Board, implementing those plans, budgets and Company strategies;

(b) identifying and managing operational risks on a day-to-day basis and, where those risks could have a material impact on the Company's operations, creating strategies for managing those risks for consideration by the Board;

(c) managing the Company's current financial and other reporting mechanisms, as well as its control and monitoring systems, to ensure that these mechanisms and systems capture all relevant material information on a timely basis and are functioning effectively;

(d) ensuring that the Board and Board Committees are provided with sufficient information on a timely basis regarding the Company's operations, performance, financial conditions, operating results and prospects, to enable the Board and the Board Committees to fulfil their governance obligations; and

(e) implementing the policies, processes and codes of conduct approved by the Board.
6. DIRECTORS

6.1 Role of individual directors
The Company encourages Directors to question, request information, raise issues of concern, consider and canvas any issue facing the Company and cast their vote on any resolution in accordance with their own, independent judgment. Outside the boardroom, Directors should support the letter and spirit of Board decisions.

6.2 Confidentiality
Directors must maintain the confidentiality of confidential Board discussions, deliberations and decisions, which have not been publicly disclosed by the Company. Confidential information, which Directors receive in the course of the exercise of their directorial duties, remains the property of the Company. It is improper for a Director to disclose confidential information, or allow it to be disclosed to any third party, unless such disclosure has been properly authorised, or is required by law.

6.3 Legal duties
In order to fulfil their legal and statutory requirements, Directors of the Company must:
(a) disclose to the Company all other directorships held (both public and private);
(b) discharge their duties in good faith and act honestly in the best interests of the Company and for a proper purpose;
(c) act with care and diligence, demonstrating commercial reasonableness, and with the level of skill and care expected of a Director.
(d) avoid conflicts of interest;
(e) act for the benefit of the Company at all times;
(f) not make improper use of information obtained in the course of acting as a Director of the Company;
(g) not take improper advantage of the position of being a Director;

Page 6
(h) make reasonable enquiries to ensure that the Company is operating efficiently, effectively and legally towards achieving its goals;

(i) diligently analyse all proposals placed before the Board; and

(j) not purport to bind the Company unless expressly authorised to do so by the Board.

Directors decide which matters of the Company are delegated to management and must ensure that the delegates are reliable and competent and that adequate procedures are in place to oversee their exercise of the delegated powers.

6.4 Conflicts of interest

Directors are required to disclose any conflicts of interest and to refrain from participating in any deliberations or voting upon matters in which they have a material personal interest. In circumstances where a Director considers that they have a conflict of interest, the Director must:

(a) disclose to the Board any actual or potential conflicts of interest which may exist or might reasonably be perceived to exist, as soon as they arise;

(b) if deemed appropriate by the Board or the Director, take such steps as are necessary and reasonable to resolve any conflict of interest within a reasonable period of time; and

7. COMPOSITION AND STRUCTURE

The Board of the Company will be composed as under;

i) One executive director, as Managing Director

ii) Functional Directors not exceeding two

iii) Two Non-Official Directors one of whom will be the Chairman of the Board.
iv) Eight ex-Officio Directors as under;

- Four Nominees of State level Minorities Corporation viz. Andhra Pradesh, Bihar, Karnataka, Uttar Pradesh
- One Nominee of State Level Minorities Corporation (by rotation)
- Representatives of Financial Institution NABARD.
- Representative of a Financial Institution SIDBI
- Additional Secretary /Joint Secretary Ministry of Minority Affairs

6.1 The authority to appoint/ remove the Director(s) vests with the President of India.

7. **INDUCTION, CONTINUING EDUCATION AND ACCESS TO INFORMATION**

7.1 New Directors shall participate in an induction programme involving comprehensive briefings from management on the operations of Company and key issues concerning the Corporation.

7.2 Adequate briefings will be made before the Directors at each Board meeting.

7.3 All Directors will have access to Company information and members of management shall furnish information or briefings on specific matters as requested.

7.4 All Directors will have interaction with agency(ies) implementing scheme(s) of the Corporation for the benefit of Targetted Minority Population.

8. **ACCESS TO INDEPENDENT ADVICE**

Directors shall be provided information sought, by the Company Secretary from time to time. Directors shall also direct the Company Secretary to obtain information/confirmation from departments, specialized agency or experts in the field. Directors may also seek information or clarification on matters from person of their choice subject to maintenance of confidentiality of the matters.
9. COMPANY SECRETARY
9.1. The appointment of the Secretary is a matter for the Board.

9.2. The Company Secretary is accountable to the Board for monitoring and enhancing corporate governance processes and ensuring that the principles and procedures of the Board are followed.

9.3. The Company Secretary shall communicate the decisions taken by the Board to the functional departments, associates of the company for implementation and provide necessary feedback to the Board as and when required.

10. MEETINGS
10.1. The Board shall meet at least once in every three months and at least four such meetings shall be held every year. Further, the time gap between any two meetings should not be more than three months.

10.2. Directors will use all reasonable efforts to attend each meeting of the Board and Committees of which they are members.

10.3. Board and Committee papers will be circulated to Directors prior to each Board and Committee meeting. Directors are expected to undertake adequate preparation to permit their effective contribution at each meeting.

11. REVIEW AND AMENDMENT
The Board will review annually the Board and Committee charters, and approve amendments as it considers appropriate.