

BUSINESS CONTINUITY PLAN (BCP)

JMJ FINANCE LIMITED

Business Continuity Plan for MJM Finance Limited

1. Introduction:

The Reserve Bank of India, through its circular RBI/DNBS/2016-17/53 (Master Direction DNBS. PPD.No.04/66.15.001/2016-17) dated June 8, 2017, provided guidelines for the Information Technology Framework for the NBFC sector. The objective of these guidelines is to ensure safety, security, and process efficiency within NBFCs. To meet these objectives, MJM Finance Limited ("MJM") has developed this Business Continuity Plan (BCP) to ensure operational resilience and minimize disruptions caused by unforeseen events.

2. Scope:

This BCP applies to all functions and operations of MJM, including income generation, asset management, client services, reputation protection, and property management. It aligns with the company's IT policy to ensure clarity and comprehensive protection.

3. Objectives:

The objectives of MJM's BCP are as follows:

- Manage and control identified risks.
- Assign knowledgeable personnel and sufficient financial resources for effective BCP implementation.
- Ensure annual review of business recovery and contingency plans.
- Evaluate contingency planning for critical outsourced operations.
- Prioritize recovery of critical business activities within predetermined timeframes.

4. Business Impact Analysis and Prioritized Activities:

MJM conducts regular Business Impact Analysis (BIA) to identify and prioritize critical business activities essential to the company's operations. The plan outlines a hierarchy of essential services and processes, ensuring that they are continued or recovered within predefined timeframes in the event of disruptions.

Key activities prioritized for recovery:

- Critical financial services: Processing customer payments, loan disbursements, and collections.
- IT and communication systems: Maintenance of core banking systems and internal communication.
- Regulatory reporting: Submission of required financial and regulatory filings.

5. Action Plans for Recovery:

For each critical business activity, a recovery plan is developed, including:

- Assignment of responsible teams: Each critical activity has designated recovery teams responsible for execution within the set timeframes.
- Predefined timeframes for recovery: Each critical activity is assigned a Recovery Time

Objective (RTO) to ensure continuity or recovery within predetermined periods (e.g., 2 hours, 6 hours, 24 hours, etc.).

- Detailed action steps: Clear steps are outlined for how teams will continue or recover prioritized activities, such as rerouting workflows, activating backup systems, and engaging external partners.

6. Information Security and Cybersecurity:

JMJ ensures robust information security and cybersecurity measures, including:

- Implementing a maker-checker system to prevent errors or misuse.
- Safeguarding sensitive information through end-to-end encryption for mobile financial services.
- Using digital signatures for authentication of electronic documents and fund transfers.
- Establishing data access controls to restrict unauthorized access to critical information systems.

7. Service Providers and Outsourcing:

JMJ requires all service providers involved in critical operations to establish their own BCPs. These plans must include:

- Regular testing of continuity procedures.
- Reporting on recovery measures in case of disruptions.
- MJM retains oversight over outsourced services to ensure alignment with its own BCP, ensuring that critical outsourced activities are continued or recovered within predetermined timeframes.

8. Data Back-Up and Restoration:

JMJ conducts regular and secure backups of all essential business data, both onsite and offsite. The backup strategy includes:

- Daily, weekly, and monthly backups to ensure data protection.
- Periodic testing of backup systems through data restoration drills to confirm backup effectiveness.
- Ensuring offsite storage of backups to safeguard against natural disasters or onsite failures.

9. Incident Response Teams and Communication:

Dedicated incident response teams are in place to manage disruptions and ensure business continuity. In the event of a disruption:

- Incident response teams will initiate recovery procedures and provide updates on the situation.
- Clear communication channels will be established to notify key stakeholders, including customers, employees, and regulatory authorities.

10. Recovery Time Objectives (RTO) and Maximum Allowable Downtime (MAD):

JMJ has defined RTOs and MAD for each critical activity, ensuring timely recovery and minimal downtime. For example:

- IT systems and core banking functions: RTO of 2 hours, MAD of 6 hours.

- Customer payment processing: RTO of 4 hours, MAD of 12 hours.
- Regulatory reporting: RTO of 24 hours, MAD of 48 hours.

11. Updates and Review:

JMJ updates its BCP whenever significant changes occur, such as modifications in business operations, organizational structure, or location. Function-specific plans are also reviewed annually to incorporate any operational updates or new regulatory requirements.

12. Board Oversight and Review:

The Board of Directors plays a critical role in the oversight of the BCP, conducting periodic reviews and approving necessary updates. The Board ensures that JMJ's business continuity strategies remain effective, relevant, and aligned with regulatory requirements. Regular Board meetings will include discussions on business continuity, recovery plans, and updates on any incidents that trigger the activation of the BCP.

13. Testing and Simulation:

JMJ regularly conducts testing and simulation exercises to evaluate the effectiveness of the BCP. This includes:

- Scenario-based simulations to test the recovery of critical business functions.
- Post-test reviews to identify gaps and areas for improvement.
- Stakeholder involvement in testing to ensure all relevant parties are aware of their roles in the recovery process.

Conclusion:

JMJ Finance Limited is dedicated to maintaining a comprehensive and robust Business Continuity Plan to ensure the resilience of its operations in the face of potential disruptions. By following this plan, JMJ can minimize the impact of adverse events, safeguard critical functions, and uphold its commitments to customers, employees, and stakeholders.

//Approved//

For JMJ Finance Limited

A handwritten signature in blue ink, appearing to read 'Thijssen', is written over a horizontal line.

Wholtime Director