**ARYADHAN FINANCIAL SOLUTIONS PRIVATE LIMITED**

# CORPORATE GOVERNANCE POLICY

| Version No | Approved Date | Policy Owner | Approved By |
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| 1.0 | September 23, 2025 | Compliance Department | Board of Directors |
| 1.1 | June 30, 2026 | Compliance Department | Board of Directors |

## INTRODUCTION

Aryadhan Financial Solutions Private Limited (the "**Company**") is a Non- Banking Financial Company. In terms of the RBI Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025, as amended from time to time, ("**Directions**"), every Non-Banking Financial Company falling in Middle Layer shall frame their internal guidelines on corporate governance with the approval of the Board of Directors, enhancing the scope of the guidelines without sacrificing the spirit underlying the Directions and it shall be published on the company's website, if any, for the information of various stakeholders. The Company, being a Middle Layer NBFC, is accordingly covered by the aforesaid Directions.

The Company is committed to adopting good practices and standards of corporate governance. The principles of corporate governance standards of the Company place strong emphasis on transparency, accountability and integrity.

## I. OBJECTIVE

In order to enable NBFCs to adopt best practices and greater transparency in their operations, RBI has, vide the provisions of the applicable Directions required all applicable NBFCs to frame a policy on Corporate Governance.

In pursuance of the aforesaid Directions issued by the RBI, the Company has framed this policy on Corporate Governance ("**Guidelines**").

## II. GOVERNANCE STRUCTURE

### A. BOARD OF DIRECTORS

The Company's management shall act in accordance with the supervision, control and direction by the Board of Directors of the Company ("Board") and in accordance with the provisions of Memorandum of Association (MoA) and Articles of Association (AoA) of the Company. The Board has a vital role to play in the matters relating to policy formulation, implementation and strategic issues.

**Composition:**

The Board's strength shall be minimum 2 (Two) and the maximum number of directors shall be as per the limit specified in the Companies Act, 2013 ("Act") and the AoA of the Company.

The Board shall have an optimum combination of Executive, Non-Executive and Independent Directors in line with the requirements of the provisions of the Act and the AoA of the Company.

**Meetings:**

The Board Meetings of the Company shall be held as per the requirements prescribed under the Act and other applicable laws and AoA.

Subject to the provisions of Section 173 of the Act, the Board shall meet no less frequently than 4 (Four) times

per year and once every 120 (One Hundred and Twenty) days.

The Company shall comply with all the procedural norms, including the quorum requirements, provided under the Act, any other applicable law(s), AoA for smooth conduct of the meetings.

All the proceedings of the meeting shall be duly recorded in the minutes, which shall be prepared, signed and circulated as per the provisions of the Act and AoA.

## B. COMMITTEES OF THE BOARD

To have close supervision on areas/ activities that are critical from compliance or business perspective, expedite decision making, operational convenience and to ensure accountability, transparency and fairness, the Board has implemented an appropriate structure in the form of various Committees with defined terms of reference /scope and delegated requisite powers to respective Committees. The various committees constituted by Board along with their roles and responsibilities and frequency of meetings are enclosed herewith as **Annexure A**.

## C. DISCLOSURE AND TRANSPARENCY

The Board shall be apprised with the following information at regular intervals as may be prescribed by the Board in this regard:

1) The progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the Company;

2) Conformity with corporate governance standards viz., composition of various committees, their role and functions, periodicity of the meetings and compliance with coverage and review functions, etc.; and

3) Disclosure of such information, as may be prescribed by RBI from time to time, in the annual financial statements of the Company.

The Roles and Responsibilities of the Board and various Committees of the Board shall be governed by various agreements entered into with the Investors and/or Articles of Association of the Company, from time to time.

## III. ROTATION OF STATUTORY AUDITORS/AUDIT PARTNER(S)

The Company shall appoint and rotate the auditors in accordance with the "Guidelines forAppointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs)" dated April 27, 2021, notified by the Reserve Bank of India and the extant provisions of the Act.

The appointment of the Statutory Auditors shall be approved by the members in the Annual General Meeting of the Company on the basis of the recommendations of the Board and Audit Committee.

## IV. FIT AND PROPER CRITERIA

The Company has a policy in place for ascertaining the 'fit and proper' criteria at the time of appointment of Directors and on a continuing basis. The Nomination and Remuneration Committee reviews the appointment/re-appointment of Directors considering their qualifications, expertise, track record, integrity and other 'fit and proper' criteria.

The Nomination and Remuneration Committee should obtain such declarations / undertakings, deed of covenant from the Directors and shall scrutinize the furnished statement and certificates as may be prescribed for determining Fit and Proper Criteria in line with the guidelines issued by the RBI for the time being in force.

A quarterly statement on change of directors and a certificate by the Managing Director/Whole-time Director of the Company certifying that 'fit and proper' criteria in selection of Directors has been followed by the Company should be furnished to the Regional Office of the RBI within 15 days of the close of each quarter. Further, the statement for the quarter ending March 31 should also be certified by the statutory auditors.

## V. REVIEW OF POLICY

The Policy shall be amended or modified with approval of the Board. The Policy shall be reviewed by the Board on an annual basis. Consequent upon any amendments in Applicable Laws or any change in the position of the Company, necessary changes in this Policy shall be incorporated and approved by the Board. Notwithstanding anything contained in this Policy, in case of any contradiction of the provision of this Policy with any existing legislations, rules, regulations, laws or modification thereof or enactment of a new applicable law, the provisions under such law, legislation, rules, regulation or enactment shall prevail over this Policy.

**ANNEXURE-A**

## A. AUDIT COMMITTEE

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| **Membership** | **Chairperson and Members of the Committee**<br>The Committee shall comprise of not less than three members of its Board of Directors or such number of members, as appointed by the Board.<br><br>The majority of members of the Committee including its Chairman shall be persons with ability to read and understand the financial statements.<br><br>The Chief Executive Officer of the Holding Company, Chief Financial Officer, Chief Compliance Officer shall be permanent invitees. |
| **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.<br>Questions arising in any meeting shall be decided by a simple majority of votes.<br>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 as often as necessary but at least one meeting be held in a financial year. |
| **Duties and Responsibilities** | • The recommendation for appointment, remuneration and terms of appointment of auditors of the company;<br>• Review and monitor the auditor's independence and performance, and effectiveness of audit process;<br>• Examination of the financial statement and the auditors' report thereon and submit to the Board for approval;<br>• Audit Committee shall review or any subsequent modification of transactions of the company with related parties and recommend the board for approval;<br>• Evaluation of internal financial controls and risk management systems;<br>• Review with the management, of the performance of statutory and internal auditors, adequacy of the internal control systems.<br>• Oversee such other act, including the acts and functions stipulated by RBI and any other regulatory authority, as prescribed from time to time.<br>• To address and deal with such other matters as may be delegated by the Board to the Committee. |

## B. NOMINATION AND REMUNERATION COMMITTEE

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| **Membership** | **Chairperson and Members of the Committee**<br>The Committee shall comprise of such number of members, as appointed by the Board.<br><br>An Non-executive Director will be appointed as the Chairman of the Committee. The Chairman of the Company may be appointed as a member of the NRC but shall not chair the NRC.<br><br>HR Head shall be a permanent invitee. |
| **Secretary** | The Company Secretary shall act as Secretary to the Committee and attend the meetings. |
| **Quorum** | The quorum would be one third of the strength of the Committee or two Members, whichever is higher but there should be a minimum of two independent members present.<br><br>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 as often as necessary but at least one meeting be held in a financial year. |
| **Dutiesand Responsibilities** | The Committee shall have the roles and responsibilities as per the Policy approved by the Board and such other functions as may be delegated by the Board and/or mandated by any regulatory provisions from time to time. |

## C. RISK MANAGEMENT COMMITTEE

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| **Membership** | The Committee shall be comprised of members either at the Board or executive level. The majority of the Committee shall comprise members of the Board.<br><br>The Board may designate a Chair of the Committee. In the absence of such designation, the Committee members present at the Meeting shall elect one of themselves to be the Chairman of the Meeting.<br><br>The Committee may invite Company executives, as it considers an appropriate basis an invite. |

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| **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.<br>Questions arising in any meeting shall be decided by a simple majority of votes.<br>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 as often as necessary but at least one meeting be held in a financial year. |
| **Duties & Responsibilities** | • To review and approve the risk management framework and policies proposed by management team;<br>• To review and approve the implementation of the Company's internal controls and risk management framework;<br>• To review and approve the processes and procedures proposed by management for risks identification, monitoring, control/mitigate and respond;<br>• To review and approve the proposals from management team on new product introduction and significant changes in existing products, from risk management perspective;<br>• Overseeing risk management, clearly identifying the risks to which Company is exposed.<br>• Suggesting guidelines for Risk Management System and prudential exposure/concentration limits etc.(Industries/ segments/ anchors/sourcing/product/geography) sectors from time to time.<br>• To review and monitor the risk analysis reports on periodic basis including portfolio performance and concentration and initiate corrective action where necessary.<br>• Approving exceptions to risk exposure/ limits, including Delegation of Powers.<br>• Monitoring of quality of the loan portfolio on a periodical basis.<br>• Continuously monitor the effectiveness of the credit and operational risk management processes established in the Institution.<br>• Review and approve borrowing proposals and borrowing limit of the company.<br>• Regular monitoring of the liquidity position of the company.<br>• To address and deal with such other matters pertaining to risk management as may be delegated by the Board. |

## D. ASSET LIABILITY MANAGEMENT COMMITTEE

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| **Membership** | The Committee shall comprise of members as may be identified by the Board from time to time. The CEO/ MD or the Executive Director (ED) should head the Committee. |
| **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. |
| **Frequency of Meetings** | The Committee shall meet as often as necessary but at least one meeting be held in a financial year. |
| **Duties & Responsibilities** | • To ensure prudent management of assets & liabilities;<br>• To ensure the compliance of limits for interest rates & liquidity risks set by the Board of Directors;<br>• To determine appropriate mix of available funding sources;<br>• To calculate & manage the net funding requirement of the company;<br>• To review the foreign currency exposure of the company.<br>• To address and deal with such other matters as may be delegated by the Board. |

## E. IT STRATEGY COMMITTEE

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| **Membership** | The Committee shall comprise of a minimum of three Directors as appointed by the Board. Members shall be technically competent.<br><br>The Chairperson of the ITSC shall be an Independent Director and have substantial IT expertise in managing/ guiding information technology initiatives.<br><br>Chief Information Security Officer (CISO) shall be a Permanent Invitee.<br><br>In case the Head of IT Function i.e. Chief Technology Officer is not a member of the Committee, then he or she shall be a permanent invitee to the Committee meetings. |
| **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. |
| **Frequency of Meetings** | The Committee shall meet at least on a quarterly basis. |
| **Duties & Responsibilities** | • To ensure that the Company has put an effective IT strategic planning process in place;<br>• Guide in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy of the Company towards accomplishment of its business objectives; |

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| | • Satisfy itself that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives and unambiguous responsibilities for each level in the organization;<br>• Ensure that the Company has put in place processes for assessing and managing IT and cybersecurity risks;<br>• Ensure that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the Company's IT maturity, digital depth, threat environment and industry standards and are utilized in a manner intended for meeting the stated objectives; and<br>• Review, at least on annual basis, the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the Company. |

## F. IT STEERING COMMITTEE

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| **Membership** | The Committee shall comprise of such number of members from Senior Management level from IT and business functions, as appointed by the Board.<br><br>Chief Information Security Officer (CISO) shall be a Permanent Invitee.<br><br>In case the Head of IT Function i.e. Chief Technology Officer is not a member of the Committee, then he or she shall be a permanent invitee to the Committee meetings. |
| **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. |
| **Frequency of Meetings** | The Committee shall meet at least on a quarterly basis. |
| **Duties & Responsibilities** | • Assist the ITSC in strategic IT planning, oversight of IT performance, and aligning IT activities with business needs;<br>• Oversee the processes put in place for business continuity and disaster recovery;<br>• Ensure implementation of a robust IT architecture meeting statutory and regulatory compliance; and<br>• Update ITSC and CEO periodically on the activities of IT Steering Committee.<br>• Execution of the IT Strategy approved by the Board or its committee;<br>• Ensure IT/ IS and their support infrastructure are functioning effectively and efficiently;<br>• Ensure necessary IT risk management processes are in place and create a culture of IT risk awareness and cyber hygiene practices in the Company;<br>• Ensuring Cyber security posture of the Company is robust; and |

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| | • Ensuring overall, IT contributes to productivity, effectiveness and efficiency in business operations.<br>• To address and deal with such other matters as may be delegated by the Board to the Committee. |

## G. INFORMATION SECURITY COMMITTEE

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| **Membership** | The Committee shall be comprised of the Chief Information Security Officer (CISO) and other representatives from business and IT functions, etc., shall be decided by the IT Strategy Committee or as appointed by the Board.<br>The Head of the Information Security Committee shall be from risk management vertical. |
| **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. |
| **Frequency of Meetings** | The Committee shall meet at least on a quarterly basis. |
| **Duties & Responsibilities** | • Development of information/ cyber security policies, implementation of policies, standards and procedures to ensure that all identified risks are managed within the Company's risk appetite.<br>• Approving and monitoring information security projects and security awareness initiatives.<br>• Reviewing cyber incidents, information systems audit observations, monitoring and mitigation activities.<br>• Updating IT Strategy Committee and CEO periodically on the activities of Information Security Committee. |

## H. SPECIAL COMMITTEE OF THE BOARD FOR MONITORING AND FOLLOW-UP OF CASES OF FRAUDS

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| **Membership** | The Committee shall be comprised of minimum of three members as nominated by the Board, and at least one of whom shall be a Whole-time director or equivalent rank Official.<br>The Managing Director shall act as the Head of the Committee.<br>In the absence of the Chairperson of the Committee, the remaining members present shall elect one of themselves to chair the meeting. |
| **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. |
| **Frequency of Meetings** | The Committee shall meet at least on a quarterly basis. |
| **Duties & Responsibilities** | • Oversee the effectiveness of fraud risk management.<br>• Review and monitor cases of frauds, including root cause analysis, and |

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| | suggest mitigating measures for strengthening the internal controls, risk management framework and minimising the incidence of frauds.<br>• To address and deal with such other matters as may be delegated by the Board to the Committee. |

## I. IDENTIFICATION COMMITTEE

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| **Membership** | The Committee shall comprise officers not more than one rank below the MD/CEO as Chairperson and two senior officials, not more than two ranks below the Chairperson of the Committee, as members.<br>In the absence of the Chairperson of the Committee, the remaining members present shall elect one of themselves to chair the meeting. |
| **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. |
| **Frequency of Meetings** | The committee shall meet as often as required, but at least once per financial year. |
| **Duties & Responsibilities** | • To review the borrower's track record to ensure that the default was intentional and deliberate.<br>• Examines evidence of wilful default and issues a show cause notice to the borrower, guarantor, promoter, director, or others responsible.<br>• To address and deal with such other matters as may be delegated by the Board to the Committee. |

## J. REVIEW COMMITTEE

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| **Membership** | The Committee shall be comprised of the MD/CEO as Chairperson with two Independent Directors or non-executive Directors or equivalent officials.<br>Note: The Review Committee shall not be comprised of members who are part of the Identification Committee.<br>In the absence of the Chairperson of the Committee, the remaining members present shall elect one of themselves to chair the meeting. |

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| **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. |
| **Frequency of Meetings** | The committee shall meet as often as required, but at least once per financial year. |
| **Duties & Responsibilities** | • Review all relevant materials provided by the Identification Committee, determining the classification as a wilful defaulter.<br>• Ensure that individuals or entities classified as Wilful Defaulters are afforded representation opportunities.<br>• Make a final determination based on the comprehensive review of facts and submissions.<br>• Issuance of written order reflecting the decision of this Committee, ensuring that the written order is comprehensive, detailing the actions to be taken by the recipient, the timeline for compliance, and any penalties or corrective measures imposed.<br>• To address and deal with such other matters as may be delegated by the Board to the Committee. |

## K. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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| **Membership** | The Committee shall comprise of three or more Directors as nominated by the Board.<br>One Director having knowledge in the CSR field will be appointed as the Chairperson of the CSR Committee by the Chairman of the Board<br>In the absence of the Chairperson of the Committee, the remaining members present shall elect one of themselves to chair the meeting. |
| **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. |
| **Frequency of Meetings** | The committee shall meet as often as required, but at least once per financial year. |
| **Duties & Responsibilities** | • 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. |

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| | Additionally,<br>• 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,<br>• Evaluate and Monitor the CSR policy and recommend to the Board regarding the disclosure of contents of the policy in the Board's Report;<br>• To review the reports presented by the management on assessment and analysis of CSR impact on the beneficiaries<br>• Inspection of the projects sites, if required, to monitor the status of the projects.<br>• 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 Company's guidelines set out for identification of CSR Partner ;<br>• To institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company<br>• 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<br>• Board of Directors of the Company from time to time. |
| **Authority** | Further, the Committee is empowered to do the following<br>i. To give financial sanctions, if any, to matters pertaining to this Committee<br>ii. To seek information from any employee as considered necessary;<br>iii. To obtain outside legal and professional advice as considered necessary;<br>iv. To secure attendance of outsiders with relevant expertise; and<br>v. To investigate any activity within its terms of reference. |

## L. WORKING COMMITTEE

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| **Membership** | 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.<br>In the absence of the Chairperson of the Committee, the remaining members present shall elect one of themselves to chair the meeting. |
| **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. |
| **Frequency of** | The committee shall meet as often as required, but at least once per financial |

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| **Meetings** | year. |
| **Duties & Responsibilities** | • To borrow monies in the form of term loans, external commercial borrowings (ECBs) or any other form/instrument(s) as the Working Committee deems fit, from eligible lenders/investors including banks, non-banking financial companies and any other financial companies, any foreign lenders, foreign portfolio investors and such other category of persons as may be agreed by the Working Committee from time to time;<br>• To negotiate, execute, file and deliver any documents, instruments, deeds, amendments, papers, applications, notices or letters as may be required in connection therein;<br>• To grant loans and provide guarantee or such other security/contractual comfort in respect of loans availed by the company or any other person (including any group company) as may be required and seeking any approval, consent and waiver from any governmental and/or regulatory authority; and<br>• To do such other acts, deeds and things as may be necessary in connection with or incidental to giving effect to the resolutions contained herein.<br>• To address and deal with such other matters as may be delegated by the Board to the Committee. |

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