

GUIDELINES ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company recognizes its role as a corporate citizen and endeavors to adopt the best practices and the highest standards of Corporate Governance through transparency in business ethics, accountability to its customers, government and others. The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them and adopt the best practices. As part of the Hinduja Group and as an associate of Ashok Leyland Limited, the Company's philosophy on Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance practices.

RBI GUIDELINES ON CORPORATE GOVERNANCE

This policy is framed pursuant to Master Directions – NBFC – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated 1st September, 2016ⁱ. In order to enable NBFCs to adopt best practices and greater transparency in their operations, RBI has, stipulated all NBFCs to frame an internal guideline on Corporate Governance, with the approval of the Board of Directors. In pursuance of the aforesaid Guidelines, the Company has framed the said internal Guidelines on Corporate Governance and as required under para 3.2.3(i) of the Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs and other applicable circulars issued time to time.

SEBI NORMS ON CORPORATE GOVERNANCE

SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, provides, among various other things, Corporate Governance Norms for listed entities, the Company shall comply with such Corporate Governance Norms as may be applicableⁱⁱ.

BOARD OF DIRECTORS

The Board of Directors along with its Committees shall provide leadership and guidance to the Company's management and direct, supervise and control the performance of the Company.

Composition

As per the Company's Articles of Association, the Board's strength is required to be a minimum of three to a maximum of Fifteen directors.

The Board of Directors of the Company shall have an optimum combination of Executive and Non-Executive directors, with not less than fifty percent of them being Non-Executive Directors. In case of a Non-Executive Chairman, at least one-third of the Board should consist of

Independent Directors and in case of an Executive Chairman, one-half of the Board should consist of Independent Directors.

Provided that where the regular non-executive chairperson is a promoter of the listed entity or is related to any promoter or person occupying management positions at the level of board of director or at one level below the board of directors, at least half of the board of directors of the listed entity shall consist of independent director.

Explanation - For the purpose of this clause, the expression "related to any promoter" shall have the following meaning: (i) if the promoter is a listed entity, its directors other than the independent directors, its employees or its nominees shall be deemed to be related to it. (ii) if the promoter is an unlisted entity, its directors, its employees, or its nominees shall be deemed to be related to it.

No listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy-five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.

All the Directors shall make the necessary annual disclosure regarding their directorships and Committee positions and shall intimate changes as and when they take place.

The Board shall periodically review Compliance Reports of all laws applicable to the Company prepared by the Company as well as steps taken by the Company to rectify instances of non-compliance.

Board Meetings

Meetings of the Board of Directors shall be held at least four times a year, with a maximum time-gap of 120 days between any two consecutive meetings. The minimum information to be statutorily made available to the Board shall be furnished to the Directors.

BOARD EVALUATION

The evaluation of Board and its members shall be carried out by the Board members or by the Nomination and Remuneration Committee or by any Independent external agency as indicated in the Companies Act, 2013.

Separate Meeting of the Independent Directors

Independent Directors are required to evaluate the performance of Non-Independent Directors, Chairman and Board as a whole. The Independent Directors of the company shall hold at least one meeting in a financial year or on any other frequency as Board may decide or prescribed under the applicable laws, to review the performance of Non-Independent Directors, performance of the Chairperson of the company and Board & Committees of the Board, as a whole, taking into account the views of Executive Directors and Non-Executive Directors.

The Independent Directors at their separate meetings shall:

- (a) review the performance of non-independent Directors and the Board as a whole;
- (b) review the performance of the Chairperson of the company, taking into account the views of executive Directors and non-executive Directors;
- (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties

CODE OF CONDUCT

The Company shall adopt a Code of Conduct for its senior management including the Managing Director and also for its Non-Executive Directors. The same shall be posted on the Company's web-site.

RESTRICTION ON KEY MANAGERIAL PERSONNEL TO HOLD ANY OFFICE

Except for directorship in a subsidiary, Key Managerial Personnel of the company shall not hold any office (including directorships) in any other NBFCs - Middle Layer (NBFCs-ML) or NBFCs - Upper Layer (NBFCs-UL). But they can assume directorship in NBFCs - Base Layer (NBFCs-BL).

APPOINTMENT OF CHIEF RISK OFFICER

The Company shall appoint a Chief Risk Officer (CRO) with a clearly specified role and responsibilities. The CRO is required to function independently so as to ensure the highest standards of risk management.

APPOINTMENT OF CHIEF COMPLIANCE OFFICER

The Company shall appoint a Chief Compliance Officer (CCO) with a clearly specified role and responsibilities. The CCO is required to function independently to ensure strict observance of all statutory and regulatory requirements for the company, including standards of market conduct, managing conflict of interest, treating customers fairly and ensuring the suitability of customer service.

COMMITTEES OF THE BOARD

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board shall constitute a set of Committees with specific terms of reference / scope. The Committees shall operate as empowered agents of the Board as per their Charter / terms of reference. The minutes of the meetings of all Committees of the Board shall be placed before the Board for discussions / noting.

The Board of Directors have set up the following committees with specific terms of reference as approved by the Board:

- i) Audit Committee
- ii) Risk Management Committee
- iii) Asset Liability Management Committee
- iv) Nomination and Remuneration Committee
- v) Stakeholders relationship Committee
- vi) Credit Committee
- vii) Capital Raising Committee
- viii) Corporate Social Responsibility Committee
- ix) IT Strategy Committee^{IV}
- x) Committee for making Political Contribution^V
- xi) Special Committee of Executives (CoE) for Monitoring and Follow-up of Cases of Frauds

In addition to above mentioned Committees, other Committees may be formed based on business and regulatory requirements

FAIR PRACTICES CODE

Pursuant to the guidelines on Fair Practices Code issued by Reserve Bank of India, the Company has adopted policy on Fair Practices Code which is posted on the website of the Company and also a regular review on the implementation of the same is conducted by Board.

FIT AND PROPER CRITERIA

The Company shall have a Board approved policy for ascertaining the fit and proper criteria of the directors at the time of appointment and on a continuing basis. The policy on the fit and proper criteria is as per RBI Circular. Further, the Company ensures compliance with the provisions laid

down in the said Policy. The Board shall review the suitability of the members based on the Fit and Proper criteria on a regular basis.

POLICIES ADOPTED BY THE COMPANY

The Company, in line with the requirement of the Companies Act, 2013, the guidelines issued by the Reserve Bank of India, SEBI regulations and others acts, rules, and regulations applicable to the Company, has framed and adopted policies and shall frame any other policies as required from time to time which shall form part and parcel of the overall corporate governance framework of the Company. Policies shall be reviewed and updated at regular intervals based on statutory requirement or on modification or amendments of various acts, rules, regulations, statutes applicable to the Company.

DISCLOSURES

Timely and accurate disclosure of information regarding the financial position of the Company, its performance and ownership forms part of the Corporate Governance.

CEO/CFO CERTIFICATION

The CEO, i.e. the Managing Director and the CFO, i.e. Finance Head shall make the necessary certifications regarding the Financial Statements, Internal Controls, etc. to the Board.

COMPLIANCE OFFICER

The Company Secretary shall be the Compliance Officer of the Company.

This policy was reviewed and approved by the Board on November 7th, 2025.

- i Amended by the Board on 14th November,2018
- ii Ibid iii Ibid iv Ibid
- v Amended by the Board on 5th November, 2024