FINALEAP FINSERV PRIVATE LIMITED

GOVERNANCE POLICY

DOCUMENT VERSION HISTORY

Version	Effective Date	Review	Approving Authority	Policy Owner
V 1.0	01-08-2026	Annual	Board of Directors	Compliance Officer

Review Date	Next Review Date	Comments/ Remarks/ Changes
20-07-2026	20-07-2027	Initial adoption pursuant to RBI Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025

A INTRODUCTION

Finaleap Finserv Private Limited ('Company') is an RBI-registered Non-Banking Finance Company. The Company believes that sound corporate governance practices are critical for its functioning and for creating a trustworthy, transparent, moral and ethical environment, both internally and externally. The Company ensures good governance through the implementation of effective policies and procedures, mandated and regularly reviewed by the Board of Directors of the Company ('Board') or by the Committees duly constituted by the Board, as the case may be.

This Corporate Governance Policy ('Policy') has been formulated to frame internal guidelines on corporate governance of the Company. The Company's corporate governance philosophy envisages adherence to the highest standards of transparency, accountability and equity in all areas of its operations and in interactions with all its stakeholders, including its customers, shareholders, employees, Government and others. The objective is to enhance shareholder value continuously.

The Reserve Bank of India ('RBI'), vide Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025 (as amended from time to time) ('RBI Master Directions'), requires NBFCs to frame internal guidelines on corporate governance with the approval of the Board and to publish the same on the Company's website for the information of various stakeholders. The Company has accordingly framed this Policy on Corporate Governance, and shall apply its provisions in a manner proportionate to the Company's scale, complexity and regulatory classification under RBI's Scale Based Regulation framework.

B DEFINITION

a) "**Applicable Laws**" means the RBI Directions, the Companies Act, 2013 and the rules/ regulations issued thereunder.

b) "**Board**" means the Board of Directors of the Company.

c) "**Committee**" means the committee duly constituted by the Board, either as per Applicable Laws or otherwise, to:

I. perform the functions and responsibilities as per Applicable Laws;

II. perform the functions and responsibilities delegated by the Board for effective management and control of business operations of the Company from time to time;

III. advise and/ or make recommendations to the Board or key stakeholders.

d) "**Senior Management**" means personnel of the Company who are members of its core management team, excluding the Board of Directors, comprising all members of management one level below the executive directors, including functional heads.

C INTERNAL GUIDELINES ON CORPORATE GOVERNANCE

I. Board of Directors

The Board will provide leadership and strategic guidance to the Company's management and will play a crucial role in matters relating to the formulation of various policies and their implementation and strategic issues. The Board will act honestly, in good faith, and in the best interests of the Company. The Board is responsible for establishing the vision, mission and values of the Company, determining its goals from time to time, setting strategy and structure and deciding the means to support and implement them, determining monitoring criteria to be used, ensuring the effectiveness of internal controls, and exercising accountability to shareholders.

Constitution: The composition of the Board will be governed by the Articles of Association of the Company read with the applicable provisions of the Companies Act, 2013, in conjunction with the RBI Master Directions, Scale Based Regulations and sub-circulars issued thereunder, and other applicable regulations. It shall have an optimum combination of executive, non-executive and independent directors in line with the Applicable Laws and the Articles of Association of the Company, as amended from time to time. All directors shall make the necessary annual disclosures regarding any change in concern or interest in any company, body corporate, firm, or other association of individuals, including shareholding, directorships and Committee positions, and shall intimate changes as and when they take place.

Roles & Responsibilities: The Board is responsible for overseeing compliance with all relevant policies and procedures by which the Company operates, and for ensuring that the Company operates at all times in compliance with all applicable laws and regulations, adhering to the highest ethical and moral standards. The Board monitors the financial performance of the Company and shall ensure that financial results are prepared in accordance with the Indian Accounting Standards (Ind AS). Each member of the Board shall adhere to the following to support the existence of a good corporate governance environment:

i. Shall attend the meetings of the Board and/ or Committees (as required) regularly and participate in the deliberations and discussions effectively.

ii. Shall review the agenda papers, notes and minutes of the Board and/ or Committee meetings and enquire about the status update on any matter raised in previous meetings.

iii. Shall review the minutes of the proceedings of the Committees to evaluate the functioning of the respective Committees and their adherence to the respective policy.

iv. Shall review and approve key policies of the Company.

v. Shall ensure confidentiality of the Company's agenda papers, notes and minutes.

vi. Shall ensure that employees are given adequate autonomy within a well-defined and controlled operational framework to discharge their responsibilities and perform their duties in a disciplined manner with utmost integrity and good conduct.

vii. Shall review the Compliance Certificate at every quarterly Board Meeting, confirming that all Applicable Laws have been complied with, as received from Management.

viii. Shall monitor the effectiveness of the Company's governance practices and make changes as needed.

ix. Shall monitor and review the Board of Directors' evaluation framework.

The Board, after due discussion, shall delegate power to various Committees constituted by the Board according to the respective terms of reference of each Committee of the Company.

Meetings of the Board:

At least four meetings of the Board shall be held in a year. The maximum time gap between any two meetings shall not be more than one hundred and twenty days, or as extended by the regulator under Applicable Laws from time to time. Meetings of the Board may be convened either in person or through audio-video means, as permitted under Applicable Laws.

Quorum:

The quorum for a meeting of the Board shall be one-third of the total strength of the Board or two directors, whichever is higher, and the participation of directors by video-conferencing or other audio-visual means shall also be reckoned for the purpose of quorum.

The quorum shall be present not only at the commencement of the meeting but also while transacting business.

An interested director may participate in the meeting after disclosing his/ her interest pursuant to Section 184 of the Companies Act, 2013, and may also be counted towards quorum for such meeting.

D CONSTITUTION OF VARIOUS COMMITTEES

To ensure close supervision of areas/ activities that are critical from a compliance or business perspective, to expedite decision-making, enable operational convenience, and to ensure accountability, transparency and fairness, the Board shall implement an appropriate structure in the form of various Committees with defined terms of reference/ scope, and shall delegate requisite powers to the respective Committees.

The Committees constituted by the Board, along with their roles and responsibilities and frequency of meetings, are set out at Annexure A.

E FIT AND PROPER CRITERIA

Pursuant to the RBI Master Directions, a Board-approved policy on 'Fit and Proper Criteria for Directors' shall be adopted by the Board. The Company will, on the appointment of directors and on a continuing basis, ensure that directors adhere to the standards of fit and proper criteria outlined in the RBI Master Directions, obtain a declaration and undertaking from directors seeking the requisite information, and obtain a deed of covenant signed by directors in the relevant format annexed to the said policy.

Further, as required under the RBI Master Directions, the Company shall furnish to RBI a quarterly statement on change of directors, along with a certificate from the Managing Director confirming that the fit and proper criteria in the selection of directors have been followed, within 15 days of the close of the respective quarter. The statement submitted by the Company for the quarter ending March 31 shall be certified by the auditors.

F DISCLOSURE & TRANSPARENCY

The Company will make disclosures as required under the Companies Act, 2013 and the rules framed thereunder, the RBI Master Directions, the Governance Directions read with the Financial Statements: Presentation and Disclosures Directions applicable to NBFCs, and other such laws as may be applicable to the Company from time to time.

The Board will ensure that all disclosures statutorily required to be made on behalf of the Company are duly made to the relevant authorities or such other persons as may be required under applicable laws or regulations.

The Company shall place before the Board or sub-committees of the Board, on a half-yearly basis, the following:

I. The progress made in putting in place a progressive risk management system and adherence to the risk management policy and strategy followed by the Company.

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

In addition to the disclosures required under Applicable Laws, the following shall be disclosed under the corporate governance section of the Company's Annual Report:

1. Composition of the Board
2. Details of change in composition of the Board during the current and previous financial year
3. Committees of the Board and their composition
4. General body meetings
5. Registration/ licence/ authorisation obtained from other financial sector regulators
6. Ratings assigned by credit rating agencies and migration of ratings during the year
7. Penalties, if any, levied by any statutory/ regulatory authority
8. Information namely – area, country of operation and joint venture partners, with regard to joint ventures and overseas subsidiaries
9. Details and reasons for any default in compliance with the requirements of the Companies Act, 2013, including with respect to compliance with accounting and secretarial standards
10. Management Discussion and Analysis Report
11. Instances of breach of covenant of loan availed or debt securities issued
12. Divergence in asset classification and provisioning
13. Pecuniary relationship or transactions of non-executive directors vis-à-vis the Company
14. Net profit or loss for the period, prior period items and changes in accounting policies
15. The circumstances in which revenue recognition has been postponed pending resolution of significant uncertainties
16. Provisions and contingencies
17. Draw-down from reserves
18. Concentration of deposits, advances, exposures and NPAs
19. Movement of NPAs
20. Overseas assets (for entities with joint ventures and subsidiaries abroad)
21. Off-balance sheet SPVs sponsored, exposures and structured products
22. Liquidity Coverage Ratio
23. Currency options

G ROTATION OF PARTNERS OF STATUTORY AUDITORS' AUDIT FIRM

The Company shall appoint Statutory Auditors to conduct the statutory audit of its financial statements as per Applicable Laws. The Company shall adopt a policy on appointment of Statutory Auditors to provide a sufficient framework for such appointment, prescribing the parameters and procedure to be followed, in conformity with all relevant applicable statutory/ regulatory requirements.

The Company shall appoint a Statutory Auditor for a maximum period of three (3) continuous years, subject to the Statutory Auditor satisfying the eligibility norms every year. The audit firm shall not be eligible for re-appointment in the same entity for six years after completion of a full or part term of the audit tenure. The Company will incorporate appropriate terms in the letter of appointment of the firm of auditors and ensure compliance therewith.

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

The Company may remove a Statutory Auditor before completion of three (3) years. The concerned office of RBI shall be informed of such termination, along with the reasons therefor, within a month of such decision being taken.

The RBI Master Directions provide that the Company shall rotate the partner(s) of the audit firm conducting the audit every three years, so that the same partner does not conduct the audit of the Company continuously for more than a period of three years. However, pursuant to the Guidelines for Appointment of Statutory Central Auditors (SCAs)/ Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) issued by RBI, rotation of the partner may not be required if the tenure of the Statutory Auditor is fixed for 3 years only.

H REVIEW OF THE POLICY

This Policy shall be amended or modified with the 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 between the provisions of this Policy and any existing legislation, rules, regulations, laws or modification thereof, or enactment of a new applicable law, the provisions of such law, legislation, rule, regulation or enactment shall prevail over this Policy.