

# CORPORATE GOVERNANCE POLICY

*(For Base Layer NBFC – Investment and Credit Company)*

## 1. Preamble

This Corporate Governance Policy (“Policy”) is framed in accordance with the **Reserve Bank of India (RBI) Master Directions applicable to Non-Banking Financial Companies (NBFCs) under the Scale Based Regulatory (SBR) framework**, as amended from time to time.

The Policy establishes a structured governance framework to ensure sound Board oversight, effective risk management, regulatory compliance, and transparent management practices appropriate for a **Base Layer NBFC-ICC**.

## 2. Objectives

The objectives of this Policy are to:

- Ensure a competent and experienced Board
- Establish an effective risk governance structure
- Regulate changes in Board composition and senior management
- Ensure timely regulatory reporting and approvals
- Promote transparency, accountability, and regulatory compliance

## 3. Scope

This Policy applies to:

- The Board of Directors
- Board Committees and Management Committees
- Senior Management Personnel
- Any change in Directors or Key Managerial Personnel

## 4. Board Composition and Experience

4.1 The Board shall be constituted in compliance with applicable provisions of the Companies Act, 2013 and RBI directions.

4.2 At least one Director shall have relevant experience of at least 10 years in banking or NBFC operations, as prescribed under RBI SBR framework.

4.3 Such experience shall be:

- Relevant to financial services, lending, risk management, operations, or compliance
- Properly documented and recorded in Board profiles

4.4 The Company shall maintain updated records evidencing compliance with this requirement for regulatory and supervisory review.

## 5. Risk Governance Framework

### 5.1 Constitution of Risk Management Committee (RMC)

5.1.1 The Company shall constitute a **Risk Management Committee (RMC)** either at:

- Board level, or
- Executive / Management level

in accordance with the size, complexity, and risk profile of the Company.

For Base Layer NBFCs, the Risk Management Committee may function at management level; however, ultimate oversight shall vest with the Board.

5.1.2 The RMC shall report periodically to the Board of Directors.

## 5.2 Roles and Responsibilities of RMC

The RMC shall be responsible for:

- Identification and assessment of key risks including:
  - Credit risk
  - Liquidity risk
  - Operational risk
- Monitoring risk exposure and mitigation measures
- Reviewing liquidity position and funding risks
- Ensuring alignment with the Company's risk appetite
- Reporting significant risk issues to the Board

## 6. Change in Directors and / or Management

### 6.1 Prior Approval of RBI

6.1.1 The Company shall obtain **prior written approval of RBI** in case of any change in the management of the Company which results in a **change of more than 30% of the Directors**, excluding Independent Directors.

6.1.2 Prior approval shall **not be required** in cases where Directors are re-elected on retirement by rotation.

6.1.3 Prior approval requirement shall also apply to any takeover, acquisition, or change in shareholding resulting in control, as per RBI guidelines.

### 6.2 Mandatory Intimation to RBI

6.2.1 Notwithstanding the requirement of prior approval, the Company shall **intimate RBI of all changes** in Directors or management, including appointments, resignations, or re-designations.

6.2.2 Such intimation shall be made within the timelines prescribed by RBI.

## 7. Application Process for RBI Approval

7.1 Applications for prior approval under this Policy shall:

- Be submitted on the **Company's letterhead**
- Be filed through the **PRAVAAH portal of RBI** (<https://pravaah.rbi.org.in>)
- Be accompanied by documents as prescribed by RBI, including:
  - Board Resolution
  - Director profiles and declarations
  - Shareholding pattern (where applicable)
  - Annexures as specified on the portal

## 8. Board Oversight and Accountability

8.1 The Board shall:

- Ensure compliance with this Policy
- Review governance and risk management practices periodically

- Take note of regulatory communications and supervisory observations

8.2 The Board shall ensure that governance arrangements remain proportionate to the Company's scale and risk profile.

## 9. Disclosure and Documentation

- This Policy shall be documented and maintained as part of governance records
- Relevant extracts may be disclosed on the Company's website, where applicable
- Supporting records shall be made available for audit and RBI inspection

## 10. Policy Review and Amendment

10.1 This Policy shall be reviewed **at least annually** or earlier in case of:

- Regulatory changes
- Supervisory observations
- Material changes in business or governance structure

10.2 Any amendment shall require approval of the **Board of Directors**.

## 11. Effective Date

This Corporate Governance Policy has been approved by the **Board of Directors of THIRUKOCHI FINCAP LIMITED** at its meeting held on **16/02/2026**

**Effective Date: 16/02/2026**

Version:1

