

EPIMONEY PRIVATE LIMITED

Internal guidelines on Corporate Governance

Detailed Policy Document

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1. Introduction

The Reserve Bank of India (“RBI”) had, vide its notification no RBI/DoR/2023-24/105 DoR.FIN.REC.No.45/03.10.119/2023-24 Master Direction-Reserve Bank of India (Non-Banking Financial Company-Scale Based Regulation) Directions, 2023 (“Master Directions”) dated October 19, 2023 and any amendment thereof, mandated every Non-Banking Financial Company (“NBFC”) categorised as Middle Layer, Upper Layer and Top Layer registered with the RBI under the provisions of RBI Act, 1934 to put in place Internal Guidelines on Corporate Governance. Further, in terms of the Master Directions, Epimoney Private Limited (“the Company”) is required to frame internal guidelines on corporate governance with the approval of the board of directors of the Company and accordingly the Company has put in place this policy on Corporate Governance (“Policy”).

The objective of this Policy is to ensure compliance with legal requirements and set standards for corporate governance in relation to the Company so that concerned employees and executives of the Company act in accordance with the highest standards of corporate governance while working for and on behalf of the Company and further so that the affairs of the Company can be conducted with integrity, fairness, accountability and transparency.

2. Corporate Governance Philosophy

The Company believes that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics.

3. Corporate Governance Structure

3.1 Board of Directors

Subject to the provisions of the Act, the Board shall be entitled to exercise all such powers, and to do all such acts and things, as the Company is authorized to exercise and do. The property, business and affairs of the Company shall be managed by the Board. The Board shall act in accordance with this Policy, the Articles of Association (“the AoA”), provisions of the Companies Act, 2013 (“the Act”) and applicable law.

(i) Composition of Board

- a) The Board's strength shall be a minimum of 3 (three) and the maximum number of directors be as per the limit specified in the Act and the AoA of the Company.
- b) 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, the AoA of the Company and the Master Directions.
- c) In line with the Master Directions, at least one of the directors shall have relevant experience of having worked in a bank/ NBFC. The composition of the Board shall

have an optimum mix of educational qualification and experience within the Board.

(ii) Board Meetings & Quorum

- a) **Period** - The Board shall meet at least four times in a calendar year with the maximum time gap of 120 days between the two consecutive board meetings.
- b) **Regulations** - All the Board meetings shall be conducted in a manner as per the provisions of Section 173 of the Act read with the rules made thereunder and Secretarial Standards 1 on Board meetings issued by the Institute of Company Secretaries of India (ICSI).
- c) **Quorum** - The quorum of the meetings shall be in consonance with the requirements of:
 - The Act read with the rules made thereunder;
 - Secretarial Standards 1 on Board meetings issued by the ICSI and
 - AOA of the company
- d) **Mode** - The director(s) may also attend the meeting virtually, through video conferencing and any other audio-visual means, in case the physical participation is not possible due to any reason, and the Company shall make arrangements to enable Directors' participation virtually in accordance with the provisions of the Act read with the rules made thereunder and Secretarial Standards 1 on Board meetings issued by the ICSI.
- e) **Notice** - The notice for any Board meeting and meeting of any Board Committees shall be sent to the Directors at least 7 (seven) days prior to the meeting together with the agenda; provided however, that any Board meeting may be held by providing shorter notice if consent to such Board Meeting is given in writing or by electronic mode by all the Directors entitled to vote at such meeting. Such notice shall also contain all the relevant documents and supporting information for the same.

Note : A Board meeting may be called at shorter notice to transact urgent business subject to the condition that at least 1 (one) Independent Director, if any, shall be present at the meeting. If in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director, if any.

3.2 Appointment of Directors including Independent Directors

- (i) The appointment of the Directors including Independent Directors shall be in accordance with the provisions of the Act.
- (ii) The Nomination and Remuneration Committee shall recommend 1 (one) candidate for each vacancy or anticipated vacancy for the position of a Director on the Board. The Board shall resolve, subject to the procedures required under the Policy, whether to approve an appointment pursuant to such a recommendation.

- (iii) Further, an Independent Director who resigns or is removed from the Board shall be replaced by a new Independent Director by the Company at the earliest but not later than the immediate next meeting of the Board or 3 (three) months from the date of such vacancy, whichever is later.
- (iv) An Independent Director shall not hold office for more than 2 (two) consecutive 5 (five) year terms. However, an Independent Director shall be eligible for appointment after the expiration of 3 (three) years of ceasing to become an Independent Director.
- (v) An Independent Director shall not be on the Board of more than three NBFCs (NBFC-ML or NBFCs-UL) at the same time. Further, the Company shall ensure that there is no conflict of interest arising out of their independent directors being on the Board of another NBFC at the same time. There shall be no restriction to directorship on the Boards of NBFCs-BL, subject to the provisions of the Act.

3.3 Committees of the Board

- (i) For operational convenience and to focus effectively on the issues and ensure expedient resolution of diverse matters, the Board has constituted various Committees with specific terms of reference.
- (ii) The Committees shall operate as empowered agents of the Board as per their terms of reference. The minutes of the meetings of all Committees of the Board shall be placed before the Board for noting.
- (iii) All decisions pertaining to the constitution/re-constitution/dissolution of Committees, appointment of members and fixing/modification of terms of reference of the various Committees shall be taken by the Board of Directors.
- (iv) The Committees shall periodically report to the Board on various matters that have been referred to the respective Committees.
- (v) The Board and its Committees shall perform such role/ function as may be as mandated by the RBI/ Act and Rules made thereunder, as amended from time to time, whether or not the same are incorporated in these Guidelines.

3.3.1 Audit Committee

The Company has an audit committee (“Audit Committee”) constituted in accordance with RBI guidelines. The powers and terms of reference of the Committee shall include the requirements set out in Section 177 of the Act and the relevant Rules framed thereunder.

Composition:

- a) The composition and terms of reference of the Audit Committee shall meet with the requirements of Section 177 of the Act and the Rules framed thereunder.
- b) The audit committee shall have a minimum of three directors as members, with at least two-thirds of the members of audit committee being independent directors.
- c) All members of the audit committee shall be financially literate and at least one member shall have accounting or related financial management expertise.

- d) The chairperson of the audit committee shall be an independent director and he shall be present at the annual general meeting to answer shareholder queries.
- e) The chairperson of the Board should not chair the audit committee and no executive director should be member of the audit committee. They can be invited to the meetings as and when desired by the audit committee as invitee to the meeting.
Any Invitee may be allowed to attend a Meeting with the permission of the Chair but their presence should not be counted towards Quorum nor should they be allowed to vote on any item. They may, however, speak at the Meeting with the permission of the Chair.
- f) The Company Secretary shall act as the Secretary to the Audit Committee.

Meetings & Quorum:

- a) **Period** - The Audit Committee shall meet at least four times a year and not more than one hundred and twenty days shall lapse between two consecutive meetings.
- b) **Quorum** - The quorum for meetings of audit committee shall be 2 (two) members or one third of the members of the audit committee, whichever is higher, with at least two independent directors.
- c) **Meeting Invites** - The Audit Committee shall invite such employees or advisors as it considers appropriate. The statutory auditors may attend Audit Committee meetings if required to report any audit observations. In case an internal audit is being conducted by an outside professional agency, the partner in-charge of the internal audit may be invited if required to report any audit observations.
- d) **Notice of Meeting** - Unless otherwise determined or approved by the Audit Committee, the Secretary of the Audit Committee shall provide notice of each meeting of the Audit Committee to all who will be entitled to attend each Audit Committee meeting along with the meeting agenda at least 7 (seven) days prior to the said meeting.
- e) **Minutes approval** – the minutes of each Audit Committee meeting must be recorded and circulated to the members of the Audit Committee and approved at next Audit Committee meeting.

Roles and Responsibilities:

The Audit Committee shall have the roles and responsibilities as per the charter 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.

3.3.2 Nomination and Remuneration Committee

The Company has Nomination and Remuneration Committee (“NRC”) constituted in accordance with the applicable RBI Regulations contained in the Master Directions and the applicable provisions of the Act. The powers and terms of reference of the NRC shall include the requirements set out in Section 178 of the Act and the Rules framed thereunder, and the Master Directions. The NRC shall primarily be responsible to assist the Board in fulfilling its

responsibilities by recommending to the Board, criteria for Board membership, evaluation of directors, the committees and the Board as a whole.

Composition:

- a) NRC shall have minimum three non-executive directors as members, with at least half of the members of committee being independent directors.
- b) The chairperson of the Board (whether executive or non-executive) should not chair the NRC. However, he can be appointed as a member of the NRC.

Meetings & Quorum:

- a) **Period** - The NRC shall meet at least once a year.
- b) **Quorum** - It is desirable that the quorum for meetings of the NRC shall be at 2 (two) members or one third of the total strength of the said committee whichever is higher.
- c) **Meeting Invites** – NRC may invite such executives, as it considers appropriate, to be present at the meeting of NRC.
- d) **Notice of Meeting** - Unless otherwise determined or approved by NRC, the notice of each meeting of the committee to all who will be entitled to attend each committee meeting along with the meeting agenda at least 7 (seven) days prior to the said meeting.
- e) **Minutes approval** – the minutes of each meeting must be recorded and circulated to the members of the NRC and approved at next NRC meeting.

Roles and Responsibilities

The NRC shall have the roles and responsibilities as per the charter 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.

3.3.3 Risk Management Committee

The Company has Risk Management Committee constituted in accordance with the applicable RBI Regulations contained in the Master Directions and the applicable provisions of the Act for evaluating the overall risks faced by the Company including liquidity risk, identification and monitoring of the risk profile of the Company and overseeing the integrated risk management system.

Composition:

- a) The Risk Management Committee's (RMC) constitution and functioning shall be in line with the RBI regulations. The RMC shall be vested with necessary powers, as defined in Risk Management Policy, to achieve its objectives.
- b) The Chairman of the RMC shall be a non-executive director.
- c) The RMC shall comprise of such number of members, as appointed by the Board.
- d) The Company Secretary shall act as the Secretary to the RMC.

Meetings & Quorum:

- a) **Period** - The RMC shall meet at least four times in a year and the gap between two consecutive meetings shall not exceed 120 days.
- b) **Quorum** - The quorum for the RMC meeting shall be one-third of its total strength (any fraction contained in that one- third be rounded off as one) or two members, whichever is higher.
- c) **Meeting Invites** - The RMC may invite such executives, as it considers appropriate, to be present at the meeting of the RMC.
- d) **Notice of Meeting** - Unless otherwise determined or approved by the RMC, the Secretary of the RMC shall provide notice of each meeting of the said committee to all who will be entitled to attend each RMC meeting along with the meeting agenda at least 7 (seven) days prior to the said meeting.
- e) **Minutes approval** – the minutes of each meeting must be recorded and circulated to the members of the RMC and approved at next RMC meeting.

Roles and Responsibilities:

The RMC shall have the roles and responsibilities as per the Risk Management 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.

3.3.4 Asset Liability Management Committee (ALCO)

The Company has an Asset Liability Management Committee ('ALCO') as required by the guidelines issued by the RBI. The constitution, functions and meetings of the Committee shall be in line with the requirements of the RBI guidelines.

Composition:

- a) The ALCO shall comprise of such number of members, as appointed by the Board.
- b) Managing Director/ Executive Director of the Company shall chair the ALCO meeting.
- c) The Chiefs of Investment, Credit, Resource Management or Planning, Funds Management/ Treasury (forex or domestic), Economic Research may be the members of the Committee.
- d) The Company Secretary shall act as the Secretary to the ALCO.

Meetings & Quorum:

- a) **Period** - ALCO Meetings should be held quarterly. In addition, need based meetings of the ALCO could be conducted as and when required.
- b) **Quorum** - The quorum for the ALCO meeting shall be one-third of its total strength (any fraction contained in that one- third be rounded off as one) or two members, whichever is higher.
- c) **Meeting Invites** - ALCO may invite such executives, as it considers appropriate, to be present at the meeting of the ALCO.
- d) **Notice of Meeting** - Unless otherwise determined or approved by the ALCO, the

Secretary of the said committee shall provide notice of each meeting of ALCO to all who will be entitled to attend each ALCO meeting along with the meeting agenda at least 7 (seven) days prior to the said meeting.

- e) **Minutes approval** – the minutes of each meeting must be recorded and circulated to the members of the ALCO and approved at next ALCO meeting.

Roles and Responsibilities:

The ALCO shall have the roles and responsibilities as per the charter 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.

3.3.5 IT Strategy Committee

The Company has an IT Strategy Committee (“Committee”) constituted in accordance with the Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices- November 7,2023. The constitution, functions and meetings of the Committee shall be in line with the requirements of the RBI guidelines.

Composition:

- a) The Committee shall have minimum three directors as members, with at least one the members of Committee being an independent director.
- b) CTO (Chief Technology Officer) and CIO (Chief Information Officer) would be permanent invitee of the Committee.
- c) The chairperson of the Committee should be an independent director and have substantial IT expertise in managing / guiding IT initiatives.
- d) Members should be technically competent.
- e) The Company Secretary shall act as the Secretary to the Committee

“Substantial IT expertise” means the person has a minimum of 7 (seven) years of experience in managing information systems and/or leading/ guiding technology/ cybersecurity initiatives/ projects. Such a member should also understand the business processes at a broader level and the impact of IT on such processes.

“Technically competent” herein will mean the ability to understand and evaluate information systems and associated IT/ cyber risks.

Meetings & Quorum:

- a) **Period** - The Committee shall meet at least on quarterly basis with not more than 120 days between two consecutive meetings.
- b) **Quorum** - It is desirable that the quorum for meetings of the Committee shall be at 2 (two) members or one third of the total strength of the Committee whichever is higher.
- c) **Meeting Invites** - The Committee may invite such executives, as it considers appropriate to be present at the meeting of the Committee.
- d) **Notice of Meeting** - Unless otherwise determined or approved by the Committee, the Secretary of the Committee shall provide notice of each meeting of the Committee to

all who will be entitled to attend each Committee meeting along with the meeting agenda at least 7 (seven) days prior to the said meeting.

- e) **Minutes approval** – the minutes of each meeting must be recorded and circulated to the members of the Committee and approved at the next Committee meeting.

Roles and Responsibilities:

The IT Strategy Committee shall have the roles and responsibilities as per the charter 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.

3.3.6 IT Steering Committee

The Company has an IT Steering Committee (“ITSC”) as required by the guidelines issued by the RBI Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices- November 7,2023. The constitution, functions and meetings of the Committee shall be in line with the requirements of the RBI guidelines.

Composition:

- a) The ITSC can be an executive level committee consisting of business owners, the development team and stakeholders to provide oversight and monitoring of the projects, etc.
- b) Any member can be appointed as Chairperson of the ITSC.

Roles and Responsibilities:

The IT Steering Committee shall have the roles and responsibilities as per the charter 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.

3.3.7 Information Security Committee

The Company has an Information Security Committee (“ISC”) as required by the guidelines issued by the RBI Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices- November 7,2023. The constitution, functions and meetings of the ISC shall be in line with the requirements of the RBI guidelines.

Composition:

- a) The ISC can be a executive level committee consisting of business owners, the development team and stakeholders to provide oversight and monitoring of the projects, etc.
- b) Any member can be appointed as Chairperson of the ISC.

Roles and Responsibilities:

The Information Security Committee shall have the roles and responsibilities as per the charter approved by the Board and such other functions as may be delegated by the IT Strategy Committee and/or mandated by any regulatory provisions from time to time.

4. 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:

- a) The progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the Company.
- b) 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.;
- c) Details of all material transactions with related parties shall be disclosed in the annual report. The Company shall disclose the Policy on dealing with Related Party Transactions, as approved by the Board on its website and a web link shall be provided in the annual report; and
- d) Disclosures of such information, as may be prescribed by RBI from time to time, in the annual financial statements of the Company.

5. Appointment of Statutory Auditor/ Internal Auditor

- a) The Board shall appoint a Statutory Auditor, in a manner contemplated under Policy on appointment of Statutory Auditors. Pursuant to approval of the Board, the appointment of the Statutory Auditor will need to be approved by the shareholders in accordance with Section 139 of the Act.
- b) The Appointment of Statutory Auditors will be in line with the Master Directions and applicable regulations as prescribed by the RBI.
- c) An internal auditor will need to be appointed by the Company to conduct an internal audit on the functions and activities of the Company, if required, Company may appoint an external professional agency as an internal auditor as well.

6. Fit and Proper Criteria

The Company has adopted a policy with the approval of the board of directors for ascertaining the “Fit and Proper” criteria of the directors at the time of appointment, and on a continuing basis. The above referred policy entails a process of due diligence to determine the suitability of the person for appointment / continuing to hold appointment as a director on the board, based upon qualification, expertise, track record, integrity and other ‘Fit and Proper’ criteria at the time of appointment / renewal of appointment.

As per the “Fit and Proper” criteria policy, below is required to be complied with-

- a) To obtain a declaration and undertaking from all the directors (proposed as well as existing) on an annual basis giving additional information about them in the format prescribed by the RBI in this regard.
- b) To obtain a Deed of Covenant signed by the directors in the format prescribed by the RBI in this regard.
- c) The Nomination and Remuneration Committee shall be responsible for the scrutiny of aforesaid declarations and to look after the complete due diligence. Further, based on the information provided in the signed declaration, Nomination & Remuneration Committee shall decide on the acceptance or non-acceptance of the directors.
- d) To furnish to the RBI a quarterly statement on change of directors, and a certificate from the Managing Director / Executive Director of the NBFC that fit and proper criteria in selection of the directors has been followed within 15 days of the close of the respective quarter. The statement for the quarter ending March 31, shall be certified by the auditors.

7. Shareholders Meeting

- a) The Company shall hold at least 1 (one) General Meeting in any given calendar year. The AGM shall be held in each calendar year within 6 (six) months following the end of the previous financial year of the Company. All General Meetings other than the AGM shall be EGMs. All General Meetings shall be governed by the Act and the Article of Association.
- b) The prior written notice of at least 21 (twenty one) days for a General Meeting shall be given to all shareholders of the Company either in writing or through electronic mode; provided however, that any General Meeting may be held on shorter notice if consent is given in writing or by electronic mode by not less than 95% (ninety five percent) of the members entitled to vote at such meeting. All notices shall be accompanied by an agenda setting out the particular business proposed to be transacted at such General Meeting. Every notice shall specify the place, date and hour of the General Meeting and shall contain an agenda and accompanying materials with a statement of the business to be transacted thereat and where any such business consists of special business, as defined under the Act, there shall be annexed to the notice an explanatory statement in accordance with Section 102 (statement to be annexed to notice) of the Act. No business shall be transacted at any General Meeting duly convened and held other than that specified in the notice.
- c) All special resolution items as per the Act shall require the approval of three- fourths of the votes cast in a General Meeting.

8. Compliance monitoring

The Audit Committee shall verify the compliance of this Policy as a part of its regular compliance audits.

9. Disclosure

The Company shall place this Policy on its website and provide the website link in the Annual Report.

10. Scope Limitations

In the event of any conflict between these guidelines and the provisions of the Companies Act, 2013, directions/guidelines of RBI or any other statutory enactments or rules, then the provisions of the Companies Act, 2013, directions/guidelines of RBI or statutory enactments, rules shall prevail over this Policy.

11. Review of the Policy

The Policy shall be reviewed annually. Further, the Policy may be amended following any relevant amendment in the Act, the Master Directions or any amendment done by the Board in the constitution of the committees of the Board or as may be deemed necessary by the Board. The changes, if any, shall be effective only upon approval by the Board.
