

AVANSE GLOBAL FINANCE IFSC PRIVATE LIMITED

Corporate Governance Code

VERSION CONTROL

Version	Date of Adoption	Change reference	Owner	Approving Authority
1	November 30, 2023	Adoption of Policy	Secretarial	Board of Directors
2	April 25, 2024	Revision of Policy	Secretarial	Board of Directors
3	October 18, 2024	Revision of Policy	Secretarial	Board of Directors
4	October 14, 2025	Annual Review	Secretarial	Board of Directors

“If at any point a conflict of interpretation/information between this Policy and any Regulations, Rules, Guidelines, Notification, Clarifications, Circulars, Master Circulars/ Directions IFSCA arise then interpretation of such Regulations, Rules, Guidelines, Notification, Clarifications, Circulars, Master Directions issued by IFSCA shall prevail.

Contents

- VERSION CONTROL.....2
- 1. CORPORATE GOVERNANCE:4
- 2. OBJECTIVE:.....4
- 3. BOARD OF DIRECTORS:.....4
 - 3.1 The Board4
 - 3.2 Board Diversity5
- 4. FIT AND PROPER CRITERIA:.....5
- 5. Appointment of Compliance Officer:7
- 6. Constitution of Committees of the Board:8
 - 6.1 Audit Committee:8
 - 6.2 Risk Management Committee (“RMC”):.....11
 - 6.3 Asset Liability Committee (ALCO):.....13
 - 6.4 IT STRATEGY COMMITTEE:15
- 7. RELATED PARTY TRANSACTION POLICY:17
- 8. DISCLOSURE AND TRANSPARENCY17
- 9. CODE OF CONDUCT FOR BOARD ANDTHE SENIOR MANAGERIAL PERSONNEL18
- 10. REVIEW19
- Annexure-A.....20
- Annexure-B.....22

1. CORPORATE GOVERNANCE:

Corporate Governance means the system of rules, practices and processes by which a company is administered and controlled.

This corporate governance code will help the Company in attaining its objectives/goals, since it encompasses every sphere of operations, management, action plans, internal controls, performance measurement and regulatory disclosure.

2. OBJECTIVE:

The Company's philosophy of Corporate Governance is aimed at assisting the Management of the Company in the efficient conduct of its business and meeting its obligations to stakeholders. The philosophy has strong emphasis on transparency, accountability and integrity.

The International Financial Services Centres Authority (“**IFSCA**”) vide its circular No. F. No 172/IFSCA/Finance Company Regulations/2021-22/9 dated August 09, 2021 directed all the Finance Companies in the International Financial Services Centres (“**IFSC**”) to formulate a framework on the Corporate Governance and Disclosure Requirements approved by the Board of Directors of the Company. This framework will be in addition to the Corporate Governance Requirement as specified under the provisions of the Companies Act, 2013 (“the Act”) and such other applicable statutes, laws, rules, regulations, notifications and guidelines, as may be issued by any government, regulatory, semi-regulatory, statutory, registering authority or body (“**Applicable Laws**”).

Accordingly, the Board of Directors of Avanse Global Finance IFSC Private Limited (“**the Company**” or “**Avanse Global**”) has framed this Corporate Governance Code.

3. BOARD OF DIRECTORS:

3.1 The Board

The Board of Directors (“**the Board**”) along with its Committees, if any, shall provide leadership and guidance to the Company’s management and direct, supervise and control the performance of the Company.

“Avanse Global” undertakes that –

- The Board of Directors of the Company shall be of an appropriate size based on the scope and nature of the operations of the Business of the Company.
- The Board of Directors shall possess core competencies such as accounting, finance, law, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge.
- There shall be director's training on a regular basis to ensure that the members of the Board are kept up to date on the relevant field.
- The Company shall obtain a duly signed deed of covenants (The Form is attached to this Guidelines as “**Annexure-B**”)

3.2 Board Diversity

The cornerstone of best governance practices is the board composition. To achieve the same,

- 3.2.1 the Company shall maintain the strength of its Board keeping in mind the regulatory requirements of the Applicable Laws on Corporate Governance.
- 3.2.2 the Company shall appoint directors keeping in mind an ideal diversity in knowledge or expertise that could add value to the overall performance of the Board and of the Company. The desired diversity may be fixed by the Board based on the nature of business of the Company from time to time.

4. FIT AND PROPER CRITERIA:

4.1 Preamble

The Board of Directors (**the “Board”**) of Avanse Global Finance IFSC Private Limited (**“the Company” or “Avanse”**), has adopted the following policy with regard to ascertaining the Criteria on Fit and Proper for Directors at the time of their appointment and on continuing basis as defined below.

These criteria will be applicable to the Company. This Criteria is to ensure that the Directors of the Company who are responsible for steering the affairs of the Company are fit and proper persons, besides having the necessary qualifications.

4.2 DEFINITIONS

"**Directors**" mean individual Director or Directors on the Board of the Company.

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

"**Criteria**" means Director's Fit and Proper Criteria.

"**Senior Managerial Personnel**" means the personnel of the company who are members of its core management team excluding Board of Directors.

All other words and expressions used but not defined here, but defined in the Act or the IFSCA Guidelines shall have the same meaning as respectively assigned to them in the Act or the IFSCA Guidelines, as the case may be.

4.3 APPLICABILITY

The Criteria is applicable to all the Directors of the Company.

4.4 POLICY

4.4.1 The Company, while appointing directors, shall ensure that the procedures mentioned below are followed:

- a) The Company shall undertake 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.
- b) To comply with the above, the necessary information and declaration from the proposed/ existing Directors for ensuring the fit and proper criteria shall be obtained in the format given in **Annexure- A**.
- c) The process of due diligence along with scrutiny of the declarations shall be undertaken by the Board at the time of appointment / renewal of appointment. Accordingly, the Board shall decide on the acceptance or otherwise of the Directors.
- d) Every year as on 31st March, a simple declaration from the directors shall be obtained that the information already provided has not undergone change and wherever there is any change, requisite details are furnished by them forthwith.
- e) It shall be ensured that a 'Deed of Covenant' is executed with the nominated / elected directors as per the format given in **Annexure-B**.
- f) The Declarations obtained by the Company shall be certified by the Auditor of the Company for onward submission to the Authority not later than 30 days from the end of the financial year.

4.4.2 The Board shall be authorized to undertake any action/ step required to be taken to comply with the requirements prescribed under the IFSCA Guidelines, as amended from time to time.

4.4.3 In evaluating the suitability of a person for appointment / continuing to hold appointment as a Director, the Board will take into account, apart from others, his eligibility, qualification, expertise, track record, integrity and other 'fit and proper' criteria as may be determined from time to time.

4.4.4 Various 'Fit and Proper' criteria which needs to be reviewed by the Board before an appointment of a person as Director or after a person is appointed as Director on continuing basis shall include the following:

- a) Whether the person is qualified to be appointed as Director or not attracting any disqualifications as prescribed under various provisions of Companies Act, 2013/ erstwhile Companies Act 1956 and is not declared as willful defaulter by RBI from time to time;
- b) Whether any proceedings have been initiated against the person in the past and / or pending as on date involving any civil, criminal, economic offence, taxation authorities or relating to any other regulatory body such as RBI, SEBI, IRDA, MCA, IFSCA etc.;
- c) Whether the person or the entities in which he is interested have been subject to any investigation at the instance of any Government Department or Agency;
- d) Whether the person or the entities in which the person is interested have been prosecuted / convicted for the violation of any economic laws and regulations.
- e) Whether the person has been prosecuted or prosecution is pending resulting in conviction against him/her or any of the entities where he/she is considered being interested (as per section 184 and Section 185 of the Companies Act, 2013
- f) Whether the person at any time been found guilty of violation of rules/regulations/ legislative requirements by customs/ excise /income tax/foreign exchange /other revenue authorities
- g) Whether any disciplinary action is pending or commenced or resulting in conviction in the past against him/her or whether he/she has been banned from entry into any profession/ occupation at any time.

4.4.5 The Board will assess and evaluate the eligibility of the person based on the above mentioned Fit and Proper criteria before the appointment or any renewal of appointment of director and subsequently the aforesaid criterion will be reviewed /evaluated by the Board of Directors of the Company on continuing basis.

5. Appointment of Compliance Officer:

As per Regulation No. 8 of the International Financial Services Centres Authority (Finance Company) Regulations, 2021 read with Regulation No. 7 of the Guidelines on Corporate Governance and Disclosure Requirements for a Finance Company as issued by the "IFSCA", requires the Finance Company to appoint a Compliance Officer who shall be responsible for implementing/operationalizing the policies and procedures approved by the Board and shall monitor adherence to all applicable laws, rules and regulations including these Guidelines as

well as all internal policies and procedures.

Accordingly, the Board of Directors of the Company shall from time to time appoint Compliance Officer of the Company.

6. Constitution of Committees of the Board:

The Board functions as a full Board and through various committees constituted to oversee the specific areas. The functioning of these Committees is as per the scope of work defined by the Board.

It is hereby expressly confirmed that notwithstanding anything contained in any resolution passed by the Board (including any of its committees) or shareholders of the Company the terms of reference (including the rights, authorities, powers and functions) of the committees constituted by the Board shall be pursuant to and in consonance with the Applicable Laws.

Further, the Board may, from time to time, amend the constitution, terms of reference (including the rights, authorities, powers and functions) of any of its committees. It is hereby clarified that any such amendment made by the Board or if any Applicable Law concerning the subject matter of any of the committees or terms of reference of such committees is promulgated, amended, enacted, re-enacted or modified, the terms of reference (including constitution, rights, powers, functions etc.) of such committee(s) shall, unless otherwise prescribed, be deemed to be amended to take into account / give effect to such Applicable Laws or amendment made by the Board.

The core Committees constituted by the Board in this connection are as follows:

6.1 Audit Committee:

Although as per the provisions of Section 177 (1) of the Act do not mandate the Company to have an Audit committee, the Company has decided to have an Audit Committee as a prudent Corporate Governance measure on voluntary basis.

❖ Composition of Audit Committee:

The Audit Committee shall have minimum three directors as its Members.

The Board shall appoint any member as Chairperson of the Committee. If the Board does not appoint a Chairperson or if the Chairperson is not present at the meeting within 15 minutes from the scheduled time of commencement of the meeting, the members present shall appoint any of them as Chairperson for the meeting.

The Company Secretary shall act as the Secretary to the Committee Meeting.

❖ **Conduct and Quorum of Audit Committee:**

- The Audit Committee shall meet at least four times in a year and the gap between two meetings shall not be more than 120 days.
- The quorum for Audit Committee Meeting shall either be presence of two members or at least one-third of the members, whichever is greater.
- The Audit Committee shall meet either physically or through Audio Video Conference, subject to applicable provisions of the Act and amendments thereof.

❖ **Decision by Audit Committee**

Each Member of the Audit Committee shall have one vote. Any decision of Audit Committee shall be arrived at by majority of the votes cast at the meeting. No member (including the Chairperson) shall have a casting vote.

❖ **Powers of the Audit Committee**

The Audit Committee shall have powers -

- To investigate any activity within its terms of reference,
- To seek information from any employee,
- To obtain outside legal or other professional advice
- To secure attendance of outsiders with relevant expertise, if it considers necessary.
- To have full access to the information contained in the records of the Company.

❖ **Terms of Reference of Audit Committee**

The terms of reference of the Audit Committee inter alia includes the following;

- a) Overseeing financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Reviewing, with the management, the quarterly financial statements before submission of the same to the board for approval;
- c) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission of the same to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors Responsibility Statement to be incorporated in the board's report in terms of clause(c) of Subsection 3 of section 134 of the Companies Act 2013.
 - Changes if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustment made in the financial statement arising out of audit findings.
 - Compliance with listing and other legal requirements relating to the financial statements.

- d) Disclosure of any related party transactions;
- e) Discussion on the draft audit report/ review report;
- f) Recommending to the Board the appointment, reappointment along with terms of appointment, and if required, the replacement or removal of the statutory auditor and the fixation of audit fee;
- g) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- h) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- i) Approval or any subsequent modification of transactions of the company with related parties;
- j) Scrutiny of inter-corporate loans and investments;
- k) Valuation of undertakings or assets of the company, wherever it is necessary;
- l) Evaluation of Internal Financial Controls and Risk Management Systems;
- m) Discussion with internal auditors of any significant findings and follow up there on;
- n) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- o) Fraud Reporting;
- p) To review the functioning of the whistle blower mechanism;
- q) To ensure that an Information System Audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the applicable NBFCs;
- r) To approve payment of statutory auditors for any other services rendered by the statutory auditors;
- s) Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- t) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the office heading the department, reporting structure coverage and frequency of internal audit;

- u) Discussion with internal auditors of any significant findings and follow up there on;
- v) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- w) To look into the reasons for substantial defaults in the payment to the debenture holders, shareholders (in case of non-payment of declared dividends, if any) and creditors;
- x) Performing such other activities as may be delegated by the Board and / or prescribed under the Companies Act, 2013, the IFSCA Regulations, and any other applicable rules, regulations, guidelines, clarifications, circulars and notifications issued by the Government of India including International Financial Services Centres Authority and any other regulatory authorities from time to time.

6.2 Risk Management Committee (“RMC”):

Risk is anything that can impede or enhance an organization’s ability to meet its current or future objectives. Risk Management is the culture, processes and structure that are directed towards realizing potential opportunities whilst managing adverse effects. The Company has a Risk Management Policy formulated to ensure that there is a formal process for risk identification, risk assessment, risk mitigation and reporting. This policy outlines Avanse Global’s approach towards Risk Management. The Risk Management Policy framework provides a way for the managers to make informed business decisions. Effective Risk Management affects everyone in the organization. All the employees of the Company shall adhere to this policy.

The Policy has been prepared to safeguard the Company’s assets – employees, finance, property, information and reputation; create an environment where all executives assume responsibility for risk management and critically identify potential risks, measure their potential impact on the Company and formulate risk management strategies to mitigate potential loss from the risks.

The Details of its terms of reference as approved by the Board of Directors of the Company are given below:

❖ Composition of RMC:

The RMC shall consist of such number of directors, officials and representatives of Avanse Financial Services Limited (“**AFSL**” or “**the Holding Company**”) as may be decided by the Board from time to time.

The Board shall appoint any member as Chairperson of the Committee. If the Board does not appoint a Chairperson or if the Chairperson is not present at the meeting within 15 minutes from the scheduled time of commencement of the meeting, the members present shall appoint any of them as Chairperson for the meeting.

The Company Secretary shall act as the Secretary to the Committee.

❖ **Conduct and Quorum of RMC Meetings**

The quorum at the meeting of the RMC shall be either two members or one third of the members of the Committee, whichever is higher, including at least one Board member.

Subject to the Applicable Laws, a member may attend meeting of RMC physically or through any Permissible Mode (which shall deem to include attendance through video conferencing, video call, audio conferencing, audio call or such other mode or medium as may be permitted by RMC or the Board).

❖ **Decision by RMC:**

Each Member of RMC shall have one vote. Any decision of RMC shall be arrived at by majority of the votes cast at the meeting. No member (including the Chairperson) shall have a casting vote.

❖ **Resolution by Circulation:**

A resolution passed by circulation pursuant to the receipt of approval or consent in writing (which shall include approval or consent by delivery of physically signed resolution or through e-mail or facsimile transmission) of the requisite number of members shall be valid and effectual as if it were a resolution duly passed at a duly convened RMC Meeting called and held in accordance with the provisions of the terms of reference provided that the draft resolution has been circulated to all members, along with copies of all relevant papers for such RMC Meeting.

❖ **Powers, duties, functions and scope of the RMC:**

1. To formulate a detailed risk management policy which shall include:
 - a. **A** framework for identification of internal and external risks specifically faced by the entity, including financial, operational, sectoral, sustainability (particularly, ESG-related risks), information, cyber security risks or any other risk as may be determined by the Committee;
 - b. Measures for risk mitigation including systems and processes for internal control of identified risks;
 - c. Business continuity plan;
 - d. To formulate and review the processes for management of NPAs, provisioning requirements and delinquencies;
 - e. Framing, implementing, reviewing, and monitoring the risk management plan including cyber security for the Company;
 - f. To ensure that appropriate methodology, processes, and systems are in place to monitor and evaluate risks associated with the business of the Company;
 - g. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
 - h. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
 - i. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
 - j. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;

- k. Approving a framework to evaluate the risks and materiality of all existing and prospective outsourcing and the policies that apply to such arrangements;
- l. Undertaking regular review of outsourcing strategies and arrangements for their continued relevance, and safety and soundness;
- m. Deciding on business activities of a material nature to be outsourced and approving such arrangements;
- n. Performing such other activities as may be delegated by the Board and/or prescribed under the Companies Act, the Regulations, the Directions, Notifications and any other applicable rules, regulations, guidelines, clarifications, circulars and notifications issued by the Government of India including the International Financial Services Authority, Securities and Exchange Board of India, Reserve Bank of India any other regulatory authority from time to time.

6.3 Asset Liability Committee (ALCO):

This Committee is constituted in compliance with the provisions of Regulation 7 of the IFSCA (Finance Company) Regulations, 2021 read with the IFSCA Banking Handbook on Prudential Directions as issued by IFSCA. The Company is required to have an Asset Liability Management (“**ALM**”) Policy to mainly manage its Liquidity Risk and Interest Risk. The board will establish an ALM Committee (ALCO) and shall delegate authority to this committee to manage the funds and other duties as deemed necessary. The board will review the minutes of the ALCO meetings and relevant information on a quarterly basis. If necessary, the Board will modify or grant exception to the policy for recommended actions that are in the best interest of the company.

❖ Objective of ALCO:

The macro-level management of Risk will be done by ALCO. ALCO shall not consider individual cases for decision making. The role of ALCO is, thus, to formulate and oversee the function of ALM in the Company without getting into the day-to-day decision-making process for raising, or deployment, of resources.

The Board of Directors of the Company in their meeting held on October 18, 2024 decided to subsume the Investment committee and Borrowing committee to ALCO and dissolve the Investment committee and borrowing committee and authorizing ALCO to exercise all the powers, rights and to undertake all the functions and perform all the roles of the Borrowing Committee and the Investment Committee of the Company. Accordingly, the powers duties, functions and scope of the ALCO stands modified.

❖ Composition

Board members to constitute the committee. Additionally, representative from AFSL may be invited.

The Committee may have both Board and Non-Board Members in it. The Non-Board Members / Invitees might not avail themselves of Voting Rights in decision making. The ALCO shall consist of such number of directors, officials and representatives of AFSL as may be decided by the Board from time to time.

The Board shall appoint any member as Chairperson of the Committee. If the Board does not appoint a Chairperson or if the Chairperson is not present at the meeting within 15 minutes from the scheduled time of commencement of the meeting, the members present shall appoint any of them as Chairperson for the meeting.

The Company Secretary shall act as the Secretary to the Committee Meeting.

❖ **Quorum and Frequency**

The quorum at the meeting of ALCO shall be either two members or one third of the members of the Committee, whichever is higher, including at least one Board member.

Subject to the Applicable Laws, a member may attend meeting of ALCO physically or through any Permissible Mode.

Company to have ALCO meeting on a Monthly/ quarterly as directed by the Board.

❖ **Decision by ALCO:**

Each Member of ALCO shall have one vote. Any decision of ALCO shall be arrived at by majority of the votes cast at the meeting. No member (including the Chairperson) shall have a casting vote.

Minutes of each meeting shall be prepared based on the discussions/ decision that are taken in the ALCO Meeting.

❖ **Powers, duties, functions and scope of the ALCO:**

1. To receive and review reports on liquidity risk, interest rate risk, market risk and capital management;
2. To identify balance sheet management issues like balance sheet gaps, capital planning, interest rate gaps etc.;
3. To review product-pricing strategy;
4. Review liquidity contingency plan;
5. Review of borrowing sources by funding mix;
6. sale of standard assets under securitization and/or direct assignment route;
7. Inform about interest rate movements and decide on funding mixes between fixed vs. floating rate funds, short term vs. long term, etc.
8. To borrow from time to time any sum or sums of monies from Banks/ Financial Institutions or any other sources including through various instruments such as Non- Convertible Debentures, Subordinate Debts, Secured/ Unsecured Bonds, perpetual Debt, Commercial Papers, Inter Corporate Deposits, External Commercial Borrowings or any such instruments on such terms and conditions as the committee may deem fit and in the best interests of the Company and as allowed.
9. Appoint lead manager(s) / book running lead manager(s), underwriters, depositories, custodians, registrars, bankers, lawyers, advisors, valuers, credit rating agencies, debenture trustees, syndicate / sub-syndicate members, consultants, advocates, councils, and all such other agencies / intermediaries ("Agents") as are or may be required to be appointed, involved or concerned and to remunerate them by way of commission, brokerage, fees or the like and also to reimburse them out of pocket expenses incurred by them and also to enter into and execute all such arrangements, agreements, memorandums, documents, etc. with Agents;
10. Authorize any employees, representatives, Agents or any other person to make, prepare, finalize, negotiate, execute, file, amend, accept any agreement, arrangement, MoUs, placement agreements, underwriting agreements, deposit agreements, trust deeds, subscription agreements, agency agreements or any other agreement, deed or document as may be required from time to time and / or to sub-delegate all or any of the powers contained herein or such other powers and authorities as may be required for the purpose of giving effect to these Resolutions.
11. Authorize any employee to open Current Account/ Collection Account with any Bank and deliver necessary Application Forms including Cash Management Services, internet banking/ Host-2-Host/ API Banking documents and other documents thereof and do all acts

and deeds as required by the Bank in connection with opening/ activating/ operating these Accounts.

12. To delegate all or any of the above authorities to any official(s)/employee(s) of the Company as the Investment Committee may deem fit and to do all such acts, deeds, matters, things as may be necessary to give effect to this resolution.
13. To open, close, finalize / approve the authorized signatories to operate any type of Bank Account(s), Escrow Account(s), Mutual Fund Account(s), Demat Account(s) or any other account in the name of the Company;
14. To invest in Mutual Funds, Fixed Income Instruments, Commercial Paper, Treasury Bills and in such other instruments as per the Investment Policy of the Company;
15. To avail Net Banking, Mobile Banking and/or such other facilities as may be available or offered by the Bank / other financial institutions from time to time;
16. To negotiate, finalize the terms and conditions, sign, execute all the agreements, instruments, deeds, applications, forms, undertakings and such other documents/writings as may be required from time to time for the aforesaid purposes;

6.4 IT STRATEGY COMMITTEE:

❖ Objective of the Committee

Considering the Information Technology Risk Prevalent worldwide it is prudent for the company to have its IT Strategy and IT Policy in place which will ensure proper balance of IT investments for sustaining the Company's growth and becoming aware about exposures towards IT Risks and Controls.

❖ Composition

The IT Strategy Committee may have both Board and Non-Board Members in it. The Committee shall consist of such number of directors, officials and representatives of AFSL as may be decided by the Board from time to time.

The Board shall appoint any member as Chairperson of the Committee. If the Board does not appoint a Chairperson or if the Chairperson is not present at the meeting within 15 minutes from the scheduled time of commencement of the meeting, the members present shall appoint any of them as Chairperson for the meeting.

The Company Secretary shall act as the Secretary to the Committee Meeting.

❖ Quorum and Frequency

The quorum at the meeting of IT Strategy Committee shall be either two members or one third of the members of the Committee, whichever is higher, including at least one Board member. The IT Strategy Committee may meet as and when required.

Subject to the Applicable Laws, a member may attend meeting of the Committee physically or through any Permissible Mode.

❖ Decision by IT Strategy Committee:

Each Member of the Committee shall have one vote. Any decision of the Committee shall be arrived at by a majority of the votes cast at the meeting. No member (including the Chairperson) shall have a casting vote.

❖ **Resolution by Circulation:**

A resolution passed by circulation pursuant to the receipt of approval or consent in writing (which shall include approval or consent by delivery of physically signed resolution or through e-mail or facsimile transmission) of the requisite number of members shall be valid and effectual as if it were a resolution duly passed at a duly convened IT Strategy Committee Meeting called and held in accordance with the provisions of the terms of reference provided that the draft resolution has been circulated to all members, along with copies of all relevant papers for such meeting.

❖ **Terms of Reference of IT Strategy Committee:**

1. To frame and approve IT Strategy and Policy documents and ensure that the management has put an effective strategic planning process in place;
2. To ensure that Management has implemented processes and practices that ensure that the IT function delivers value to the business;
3. To ensure IT investments represent a balance of risks and benefits and that budgets are acceptable;
4. To monitor the method that Management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
5. To ensure a proper balance of IT investments for sustaining the Company's growth and becoming aware of exposures towards IT Risks and Controls.

❖ **For Outsourced Operations:**

1. Instituting an appropriate governance mechanism for outsourced processes, comprising of risk-based policies and procedures, to effectively identify, measure, monitor and control risks associated with outsourcing in an end-to-end manner;
2. Defining approval authorities for outsourcing depending on nature of risks and materiality of outsourcing;
3. Developing sound and responsive outsourcing risk management policies and procedures commensurate with the nature, scope, and complexity of outsourcing arrangements;
4. Undertaking a periodic review of outsourcing strategies and all existing material outsourcing arrangements;
5. Evaluating the risks and materiality of all prospective outsourcing based on the framework developed by the Board;
6. Periodically reviewing the effectiveness of policies and procedures;
7. Communicating significant risks in outsourcing to the NBFC's Board on a periodic basis;
8. Ensuring an independent review and audit in accordance with approved policies and procedures;
9. Ensuring that contingency plans have been developed and tested adequately;
10. Company should ensure that their business continuity preparedness is not adversely compromised on account of outsourcing. To adopt sound business continuity management practices as issued by the Regulators on time to time basis and seek proactive assurance that the outsourced service provider maintains readiness and preparedness for business continuity on an ongoing basis
11. Any other matter that the Committee may deem appropriate after the approval of the Board or as may be directed by the Board from time to time or as per the applicable IFSCA directions, circulars etc.

7. RELATED PARTY TRANSACTION POLICY:

In order to prevent abuse in Related Party Transactions, one of the key functions of the Board of Directors is to monitor and manage potential conflicts of interest of management, members of the Board of Directors and the shareholders, including misuse of corporate assets and abuse in related party transactions.

In line with the applicable provisions of the Companies Act, 2013 (“the Act”) and guidelines on corporate governance and disclosure requirements for a finance company issued by the International Financial Services Centers Authority (“IFSCA”), as amended or re-promulgated and in force from time to time (collectively referred to as ‘the Applicable Laws’), “Avanse Global” is required to formulate a Board approved Related Party Transaction Policy.

Accordingly, the Board of “Avanse Global” has formulated a Related Party Transaction Policy.

8. DISCLOSURE AND TRANSPARENCY

Besides ensuring the disclosures under the Companies Act, 2013, the Company will ensure that the information provided to stakeholders, as the case may be, is timely, accurate, relevant and is not misleading.

8.1 Information to be placed before Board of Directors:

The Company shall ensure to place before the Board the following information:

- (i) Annual operating plans and budgets, capital budgets and related updates;
- (ii) Quarterly results of the Finance Company;
- (iii) Minutes of meetings of the Board constituted Committees;
- (iv) A statement on the change of directors, if any, and a declaration confirming the compliance with the ‘fit and proper’ criteria about them;
- (v) Any materially adverse event which could affect the Finance Company, its property or operations;
- (vi) Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property and about any other transaction which is carried out beyond the normal course of business of the Finance Company;
- (vii) Conformity with Corporate Governance and Disclosure Requirements framework;
- (viii) All material breaches of internal policies, norms, risk limits and any other important information of the like nature;
- (ix) Any other Information which is pertinent to be reported to the Board.

8.2 Disclosures to be made on the website of the Finance Company

The Company undertakes to disseminate the requisite information on its website, wherever available and/or in their Annual Report, which shall include the following:

- (i) Basic information about the Company and about group;
- (ii) The Annual Report of the Company;
- (iii) Corporate Governance report in conformity with the provisions of the Companies Act, 2013 and Corporate Governance Guidelines issued by the IFSCA; and

(iv) Other significant information, if any;

8.3 Disclosures to be made in the Annual Financial Statements (AFS)

In addition to the disclosure required under the Companies Act, 2013, a Finance Company shall also include the following in its Annual Financial Statement:

- (i) Components of owned funds and other related information;
- (ii) Details on the off-balance sheet exposures, if any;
- (iii) Its Asset Liability profile;
- (iv) Extent of financing by parent company;
- (v) Business ratios including Return on Equity (RoE) and Return on Assets (RoA);
- (vi) Concentration of Non-Performing Assets (NPAs) including total exposure to top five NPAs;
- (vii) Disclosures on provisioning in the Balance Sheet;
- (viii) Details on the registration/license/ authorization, by whatever name called, obtained from any financial sector regulators; as approved by the Board of Directors of the Company which also forms part of the Code.

9. CODE OF CONDUCT FOR BOARD AND THE SENIOR MANAGERIAL PERSONNEL

This Code is intended to provide guidance to the Board of Directors and the Senior Management Personnel to manage the affairs of the company in an ethical manner. The purpose of this code is to recognize and emphasize ethical behavior and to develop a culture of honesty and accountability.

This Code of Conduct attempts to set forth the guiding principles on which the Company, its Board and Senior Management shall operate and conduct themselves with various stakeholders, government and regulatory agencies, media and anyone else with whom it is connected. It recognizes that the Company is a trustee and custodian of public money and in order to fulfill its fiduciary obligations and responsibilities, it has to maintain and continue to enjoy the trust and confidence of its stakeholders and public at large.

The basic principles of this code are as follows:

- The Board of Directors and the Senior Management Personnel shall act honestly, ethically, in good faith and in the best interest of the Company and to fulfill their fiduciary obligations.
- Whilst carrying out the duties, the Board of Directors and the Senior Management Personnel shall ensure that it is executed in terms of the authorizations granted and within the limits prescribed under the relevant policies, codes, guidelines and other directives issued by the Board of directors or Committee of Directors of the Company, from time to time.
- The Board of Directors and the Senior Management Personnel shall neither receive nor offer or make, directly or indirectly, any illegal payments, remuneration, gifts, donations, or comparable benefits which are intended to or perceived to obtain business or uncompetitive favours for the conduct of its business except accepting gifts or entertainment if warranted by accepted ethical customs and practices.
- The Board of Directors and the Senior Management Personnel shall refrain from indulging in any discriminatory practice or behavior based on race, color, sex, age, religion, ethnic or national origin, disability, or any other unlawful basis. Ethical conduct, performance and skills shall be the qualifying indicatives for an employee's performance.
- The Board of Directors and the Senior Management Personnel shall conduct themselves in a

professional, courteous and respectful manner and shall not take any improper advantage of their position.

- The Board of Directors and the Senior Management Personnel shall use the Company's asset, property, proprietary information and intellectual rights for business purposes of the Company and not for any personal benefits or gains.
- The Board of Directors and the Senior Management Personnel shall maintain confidentiality of the information that is entrusted upon them for carrying out their respective responsibilities and duties and shall not use the same for personal benefits or gains.

10. REVIEW

This Code shall be reviewed by the Board of Directors on an annual basis, in order to align with the prevalent regulatory and business requirements. It is hereby clarified that if any Applicable Law concerning the subject matter of this Code is promulgated, amended, enacted, re-enacted or modified, this Code shall, unless otherwise prescribed, be deemed to be amended to take into account / give effect to such Applicable Laws.

Annexure-A

DECLARATION AND UNDERTAKING BY DIRECTOR (With Enclosures as appropriate as on _____)

i. Personal Details of Director

- a) Full name
- b) Date of Birth
- c) Educational Qualifications
- d) Relevant Background and Experience
- e) Permanent Address
- f) Present Address
- g) E-mail Address / Telephone Number
- h) Permanent Account Number under the Income Tax Act and name and address of Income Tax Circle
- i) Relevant knowledge and experience
- j) Any other information relevant to Directorship of the Finance Company

ii. Relevant Relationships of Director

- a) List of Relatives if any who are connected with the Finance Company (Refer Section 2 (77) of the Companies Act 2013 and Rule 4 of Companies (Specification of Definitions Details) Rules 2014))
- b) List of entities if any in which you are considered as being interested (Refer Section 184 and Section 185 of the Companies Act, 2013)
- c) List of entities in which you are considered as holding substantial interest#
- d) Name of NBFC / Finance Company in which you are or has been a member of the Board (giving details of period during which such office was held)
- e) Fund and non-fund facilities, if any, presently availed of by you and/ or by entities listed in II (b) and (c) above from the Finance Company
- f) Cases, if any, where you or entities listed in II (b) and (c) above are in default or have been in default in the past in respect of credit facilities obtained from the Finance Company or any other NBFC / Bank / Finance Company.

iii. Records of professional achievements

Relevant professional achievements

iv. Proceedings, if any, against the director

- a) If the director is a member of a professional association/body, details of disciplinary action, if any, pending or commenced or resulting in conviction in the past against him/her or whether he/she has been banned from entry into any profession/ occupation at any time.
- b) Details of prosecution, if any, pending or commenced or resulting in conviction in the past against the director and/or against any of the entities listed in II (b) and (c) above for violation of economic laws and regulations
- c) Details of criminal prosecution, if any, pending or commenced or resulting in conviction in the last five years against the director

- d) Whether the director attracts any of the disqualifications envisaged under the Companies Act, 2013?
- e) Has the director or any of the entities at II (b) and (c) above been subject to any investigation at the instance of Government department or agency?
- f) Has the director at any time been found guilty of violation of rules/ regulations/ legislative requirements by customs/ excise /income tax/foreign exchange /other revenue authorities, if so, give particulars.
- g) Whether the director has at any time come to the adverse notice of a regulator such as RBI, SEBI, IRDA, IFSCA and MCA. (*Though it shall not be necessary for a candidate to mention in the column about orders and findings made by the regulators which have been later on reversed/set aside in toto, it would be necessary to make a mention of the same, in case the reversal/setting aside is on technical reasons like limitation or lack of jurisdiction, etc and not on merit, If the order of the regulator is temporarily stayed and the appellate/ court proceedings are pending, the same also should be mentioned.*)

v. Any other explanation / information in regard to items I to III and other information considered relevant for judging fit and proper Undertaking.

I confirm that the above information is to the best of my knowledge and belief true and complete. I undertake to keep the Company fully informed, as soon as possible, of all events which take place subsequent to my appointment which are relevant to the information provided above.

I also undertake to execute the deed of covenant required to be executed by all directors of the Company.

Place:
Date:

Signature:

Remarks of Chairman of Board of Directors of the Company

Place:
Date:

Signature:

'Substantial Interest' means: Holding of beneficial interest by an individual or his/ her spouse or minor child, whether singly or taken together, in shares of Company/ Capital of Firm, the amount paid up on which exceeds 10 percent of paid-up capital of the Company or total capital subscribed by all the partners of partnership firm.

Annexure-B
Deed of Covenants with a Director

THIS DEED OF COVENANTS is made this ___ day of _____ Two thousand _____ **BETWEEN** _____, having its registered office at _____ (hereinafter called the 'Company') of the one part and Mr. / Ms. _____ of _____ (hereinafter called the "Director") of the other part.

WHEREAS

- A. The director has been appointed as a director on the Board of Directors of the Company (hereinafter called "the Board") and is required as a term of his / her appointment to enter into a Deed of Covenants with the Company.
- B. The director has agreed to enter into this Deed of Covenants, which has been approved by the Board, pursuant to his said terms of appointment.

NOW IT IS HEREBY AGREED AND THIS DEED OF COVENANTS WITNESSETH AS FOLLOWS:

- 1. The director acknowledges that his / her appointment as director on the Board of the Company is subject to applicable laws and regulations including the Memorandum and Articles of Association of the Company and the provisions of this Deed of Covenants.
- 2. The director covenants with the Company that:
 - (i) The director shall disclose to the Board the nature of his / her interest, direct or indirect, if he/she has any interest in or is concerned with a contract or arrangement or any proposed contract or arrangement entered into or to be entered into between the Company and any other person, immediately upon becoming aware of the same or at meeting of the Board at which the question of entering into such contract or arrangement is taken into consideration or if the director was not at the date of that meeting concerned or interested in such proposed contract or arrangement, then at the first meeting of the Board held after he / she becomes so concerned or interested and in case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the director becomes concerned or interested in the contract or arrangement.
 - (ii) The director shall disclose by general notice to the Board his / her other directorships, his / her memberships of bodies corporate, his / her interest in other entities and his / her interest as a partner or proprietor of firms and shall keep the Board apprised of all changes therein.
 - (iii) The director shall provide to the Company a list of his / her relatives as defined in the Companies Act, 1956 or 2013 and to the extent the director is aware of directorships and interests of such relatives in other bodies corporate, firms and other entities.
 - (iv) The director shall in carrying on his / her duties as director of the Company:
 - a) use such degree of skill as may be reasonable to expect from a person with his / her knowledge or experience;

- b) in the performance of his / her duties take such care as he / she might be reasonably expected to take on his / her own behalf and exercise any power vested in him / her in good faith and in the interests of the Company;
 - c) shall keep himself / herself informed about the business, activities and financial status of the Company to the extent disclosed to him / her;
 - d) attend meetings of the Board and Committees thereof (collectively for the sake of brevity hereinafter referred to as "Board") with fair regularity and conscientiously fulfil his / her obligations as director of the Company;
 - e) shall not seek to influence any decision of the Board for any consideration other than in the interests of the Company;
 - f) shall bring independent judgment to bear on all matters affecting the Company brought before the Board including but not limited to statutory compliances, performance reviews, compliances with internal control systems and procedures, key executive appointments and standards of conduct;
 - g) shall assist the Board in exercising adequate oversight on the business and operations of the Company, particularly for ensuring compliance with all applicable laws, rules and regulations;
 - h) shall in exercise of his / her judgement in matters brought before the Board or entrusted to him / her by the Board be free from any business or other relationship which could materially interfere with the exercise of his / her independent judgement; and
 - i) shall express his / her views and opinions at Board meetings without any fear or favour and without any influence on exercise of his / her independent judgement;
 - j) commit to inform the Authority ("IFSCA"), on becoming aware of a real or potential breach of any applicable laws, rules or regulations by the Company.
- (v) The director shall have :
- a) fiduciary duty to act in good faith and in the interests of the Company and not for any collateral purpose;
 - b) duty to act only within the powers as laid down by the Company's Memorandum and Articles of Association and by applicable laws and regulations; and
 - c) duty to acquire proper understanding of the business of the Company.
- (vi) The director shall:
- a) not evade responsibility in regard to matters entrusted to him / her by the Board;
 - b) not interfere in the performance of their duties by the whole-time directors and other officers of the Company and wherever the director has reasons to believe otherwise, he / she shall forthwith disclose his / her concerns to the Board; and
 - c) not make improper use of information disclosed to him / her as a member of the Board for his / her or someone else's advantage or benefit and shall use the information disclosed to him / her by the Company in his / her capacity as director of the Company only for the purposes of performance of his / her duties as a director and not for any other purpose.

3. The Company covenants with the director that:

- i. The Company shall apprise the director about:
 - a) Board procedures including identification of legal and other duties of Director and required compliances with statutory obligations;
 - b) control systems and procedures;
 - c) voting rights at Board meetings including matters in which Director should not participate because of his / her interest, direct or indirect therein;

- d) qualification requirements and provide copies of Memorandum and Articles of Association;
 - e) corporate policies and procedures;
 - f) insider dealing restrictions;
 - g) constitution of, delegation of authority to and terms of reference of various committees constituted by the Board;
 - h) appointments of Senior Executives and their authority;
 - i) remuneration policy,
 - j) deliberations of committees of the Board, and
 - k) communicate any changes in policies, procedures, control systems, applicable regulations including Memorandum and Articles of Association of the Company, delegation of authority, Senior Executives, etc. and appoint the compliance officer who shall be responsible for all statutory and legal compliance.
- ii. The Company shall disclose and provide to the Board including the director all information which is reasonably required for them to carry out their functions and duties as a director of the Company and to take informed decisions in respect of matters brought before the Board for its consideration or entrusted to the director by the Board or any committee thereof;
 - iii. The disclosures to be made by the Company to the directors shall include but not be limited the following:
 - a) all relevant information for taking informed decisions in respect of matters brought before the Board;
 - b) Company's strategic and business plans and forecasts;
 - c) organizational structure of the Company and delegation of authority;
 - d) corporate and management controls and systems including procedures;
 - e) economic features and marketing environment;
 - f) information and updates as appropriate on the Company's products;
 - g) information and updates on major expenditure;
 - h) periodic reviews of performance of the Company; and
 - i) report periodically about implementation of strategic initiatives and plans;
 - iv. The Company shall communicate outcome of Board deliberations to directors and concerned personnel and prepare and circulate minutes of the meeting of Board to directors in a timely manner and to the extent possible within two business days of the date of conclusion of the Board meeting; and
 - v. Advise the director about the levels of authority delegated in matters placed before the Board.
- 4. The Company shall provide to the director periodic reports on the functioning of internal control system including effectiveness thereof.
 - 5. The Company shall appoint a compliance officer who shall be a Senior executive reporting to the Board and be responsible for setting forth policies and procedures and shall monitor adherence to the applicable laws and regulations and policies and procedures including but not limited to directions of IFSCA and other concerned statutory and governmental authorities.
 - 6. The director shall not assign, transfer, sublet or encumber his / her office and his / her rights and obligations as director of the Company to any third party provided that nothing herein contained shall be construed to prohibit delegation of any authority, power, function or delegation by the Board or any committee thereof subject to applicable laws and regulations including Memorandum and Articles of Association of the Company.

[Type here]

7. The failure on the part of either party hereto to perform, discharge, observe or comply with any obligation or duty shall not be deemed to be a waiver thereof nor shall it operate as a bar to the performance, observance, discharge or compliance thereof at any time or times thereafter.
8. Any and all amendments and / or supplements and / or alterations to this Deed of Covenants shall be valid and effectual only if in writing and signed by the director and the duly authorised representative of the Company.
9. This Deed of Covenants has been executed in duplicate and both the copies shall be deemed to be originals.

**IN WITNESS WHEREOF THE PARTIES HAVE DULY EXECUTED THIS AGREEMENT ON THE DAY,
A MONTH AND YEAR FIRST ABOVE WRITTEN.**

For Avanse Global Finance IFSC Private Limited

By

Director:

In the presence of:

1.

2.