

InCred Capital Financial Services Private Limited
INTERNAL GUIDELINES ON CORPORATE GOVERNANCE

InCred Capital Financial Services Private Limited (the "Company") is committed to conducting its business in accordance with applicable laws, rules and regulations and the highest standards of Corporate Governance, business ethics and ethical conduct through transparency and accountability. Corporate Governance is all about the application of best management practices, compliance of law in true letter and spirit and adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders. The Company ensures good governance through the implementation of effective policies and procedures, and the Company is constantly striving to better them and adopt the best practices.

RBI GUIDELINES ON CORPORATE GOVERNANCE

In order to enable NBFCs to adopt best practices and greater transparency in their operations, RBI has issued guidelines on Corporate Governance, from time to time. In pursuance of the aforesaid guidelines, the Company has framed the following internal guidelines on Corporate Governance.

BOARD OF DIRECTORS

The Board of Directors' ("Board") primary responsibility is to provide effective governance over the Company's affairs for the benefit of its stockholders, and to balance the interests of its diverse constituencies, including its customers, employees, suppliers and local communities. In all actions taken by the Board, the Directors are expected to exercise their business judgment in what they reasonably believe to be in the best interests of the Company while exercising their duties with care, skill and due diligence and shall endeavor to avoid any conflict of interest with the Company. In discharging that obligation, Directors may rely on the honesty and integrity of the Company's senior executives and its outside advisors and auditors. The Board of the Company shall have an optimum combination of Executive, Non- Executive directors and Independent Directors from the different areas/fields particularly from the financial services space.

QUALIFICATIONS FOR DIRECTOR CANDIDATURE

One of the Board's most important responsibilities is identifying, evaluating and selecting candidates for the Board of Directors. The factors considered by the Board in its review of potential candidates shall include, inter alia:

- a. Whether the candidate has exhibited behavior that indicates he or she is committed to the highest ethical standards.
- b. Whether the candidate has special skills, expertise and background that would complement the attributes of the existing Directors, taking into consideration the current activities and future plans of the Company.
- c. Whether the candidate has the financial expertise as evidenced by substantial prior experience in the sector required to provide effective oversight of a financial services business.
- d. Whether the candidate has achieved prominence in his or her business, governmental or professional activities, and has built a reputation that demonstrates the ability to make the kind of important and sensitive judgments that the Board is called upon to make.
- e. Whether the candidate will effectively, consistently and appropriately take into account and balance the legitimate interests and concerns of all of the Company's stockholders and our other stakeholders in reaching decisions, rather than advancing the interests of a particular constituency.
- f. Whether the candidate possesses a willingness to challenge management while working constructively as part of a team in an environment of collegiality and trust.
- g. Whether the candidate will be able to devote sufficient time and energy to the performance of his or her duties as a Director. Application of these factors in specific instances will involve the exercise of judgment by the Board.

CHANGE IN STATUS OR RESPONSIBILITIES

If a Director has any substantial change in professional responsibilities, occupation or business association, he or she should notify the Board and offer his or her resignation to the Board. The Board will evaluate the facts and circumstances and determine whether it should accept the resignation or request that the Director continue to serve on the Board. The Company shall comply with the term and directorship limitations for Board members as mandated by law. BOARD MEETINGS The Board shall meet at least four times a calendar year, with a maximum time gap of one hundred and twenty days between any two meetings. The minimum information to be statutorily made available to the Board shall be furnished to the Directors.

COMMITTEES OF THE BOARD

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board shall constitute a set of Committees with specific terms of reference / scope. The Committees shall operate as empowered agents of the Board as per their charter / terms of reference. The Board has constituted and shall in future constitute several committees to deal with specific matters and delegated powers for different functional areas. The various Committees constituted and to be constituted shall be in accordance with the requirements under the applicable directions/ guidelines issued by the Reserve Bank of India and under the provisions of Companies Act, 2013 ("Act") for improving board effectiveness and efficiency in areas where more focused, specialized and technical oriented discussions are required. The minutes of the meetings or periodical updates about the decisions taken by such Committees shall be placed before the Board for its noting.

DISCLOSURES AND CERTIFICATIONS

The Company shall make such disclosures to the Board and in the Annual Report, as may be statutorily required under the various RBI guidelines and provisions of the Act.

STATUTORY AUDITORS

The Statutory Audit firm and its partners shall rotate periodically as required under the provisions of the Act, if applicable and the RBI guidelines referred in this policy. However, the firm or its partners so rotated will be eligible for conducting the audit of the Company after expiry of the cooling off period as may be prescribed, if the Company, so decides. The Company shall also incorporate appropriate terms in the letter of appointment of the firm of auditors and ensure its compliance.