
INTERNAL GUIDELINES ON CORPORATE GOVERNANCE

Revised Policy adopted on June 25, 2018

Company Philosophy and Corporate Governance:

At Komaf Financial Services Private Limited ('Komaf' / 'the Company'), we believe that sound governance practices are the foundation for the functioning of the Company and for creation of value for its stakeholders on a sustainable and long term basis. This philosophy guides us in maintaining an ethical framework within which we operate.

In order to adopt best practices and greater transparency in the operations of the Company and in compliance with the Guidelines, Directions and Circulars on Corporate Governance issued by the Reserve Bank of India ('RBI'), the Company has framed these Internal Guidelines on Corporate Governance.

Company and the Operations:

- Company: Komaf is a Non-Banking Financial Company ('NBFC') and is registered with the RBI.
- Operations: The Company is under the able direction of the Board of Directors and through the procedures and policies mandated by the Board from time to time. The policies and procedures for functioning and operations made are adopted after being thoroughly reviewed by the Board.
- Members of the Board: The Members of the Board consists of the following Directors:
 1. Mr. Rajesh Doshi
 2. Mrs. Indira Kotak
 3. Mr. Venkatasubramanian R.

All the Directors on the Board of the Company have rich and varied professional background and immense expertise.

Komaf is professionally managed through the Board of Directors and through the Committees as approved by the Board of Directors as follows:

Committees:

In context to Master Circular no. DNBR (PD) CC.No.053/03.10.119/2015-16 dated July 1, 2015 pertaining to Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions and any other Directions / Circulars etc. issued by Reserve Bank of India applicable and time being in force including any amendment(s) thereto from time to time, the Company has constituted following Committees of the Board of Directors of the Company:

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1. Audit Committee:

➤ Composition:

The Audit Committee consists of

1. Mr. Rajesh Doshi
2. Mrs. Indira Kotak
3. Mr. Venkatasubramanian R.

with any two forming the quorum.

➤ Audit Committee Charter:

The terms of reference, the powers and role of the Committee encompass accounting matters, financial reporting and internal controls. They primarily include the review of systems and procedures of internal control, review financial operating systems, ensure compliance with regulatory guidelines, review accounting policies, review pending litigation, etc.

The Committee will meet at least 4 times in a year and as and when required.

2. Nomination Committee:

➤ Composition:

The Nomination Committee comprising of

1. Mr. Rajesh Doshi
2. Mrs. Indira Kotak
3. Mr. Venkatasubramanian R.

with any two forming the quorum

ensures on the basis of the set parameters and criteria that the existing directors are 'fit and proper'.

➤ Nomination Committee Charter:

The terms of reference, the powers and role of the Committee encompass ensuring the criteria for the appointment of the Directors. In addition, the Committee also ensures that the members elected, as members of the Committee of the Board of directors, are also appropriate.

The Committee shall meet as and when required, but shall meet at least once in a year.

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3. Asset Liability Committee (ALCO):

➤ Composition:

The ALCO consists of the following members:

1. Mr. Rajesh Doshi
2. Mrs. Indira Kotak
3. Mr. Venkatasubramanian R.

with any two forming the quorum

➤ ALCO Charter:

The ALCO shall monitor the asset liability gap and strategize action to mitigate the risks associated with the business of the Company.

The Committee will meet half yearly to review the above.

4. Risk Management Committee (RMC): The Risk Management Committee shall ensure that the risks associated with the business/functioning of the Company are identified, controlled and mitigated and shall also lay down procedures regarding managing and mitigating the risks through integrated risk management systems, strategies and mechanisms.

➤ Composition:

The RMC consists of the following members:

1. Mr. Rajesh Doshi
2. Mrs. Indira Kotak
3. Mr. Venkatasubramanian R.

with any two forming the quorum

➤ RMC Charter:

The terms of reference of the RMC are as follows:

- Review the business and operations of the company to assess the risks;
- Suggest process to effectively mitigate the risks.
- Clearing any new product / processes;
- Monitoring of the exposures;
- Reviewing adequacy of risk management process and up gradation thereof;
- Reviewing the internal control system;
- Ensuring compliance with the statutory/regulatory framework of the risk management process

The Committee will meet at least once a year and as and when required.

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5. Grievance Redressal Committee (GRC):

➤ Composition:

The GRC consists of the following members:

1. Mr. Rajesh Doshi
2. Mrs. Indira Kotak
3. Mr. Venkatasubramanian R.

with any two forming the quorum

➤ GRC Charter:

The terms of reference of the GRC are as follows:

- Reviewing the customer grievances received, if any and the actions taken report for the period;
- Recommending action for grievances pending, if any;
- Forwarding to the board, observations/ recommendations if any.

The Committee will meet at least once in a year and as and when required.

Fair Practices Code:

Pursuant to the guidelines on Fair Practices Code issued by Reserve Bank of India, the Company has adopted a policy on Fair Practices Code and also a regular review on the implementation of the same is conducted by Committee members.

Disclosures and transparency:

The Board of the Company reviews, records and adopts the minutes of the Committee meetings. The Management Discussion & Analysis Report of the Company is duly included in the Directors' Report covering necessary matters of concern as a part published by the Company and the Segment – wise reporting as per the Accounting Standard 17 (AS 17) is duly included in the Annual Report of the Company.

Rotation of partners of the Statutory Auditors Audit Firm

Komaf shall rotate the partner/s of the Chartered Accountant firm conducting the audit, every three years so that same partner shall not conduct audit of the company continuously for more than a period of three years. However, the partner so rotated shall be eligible for conducting the audit of the Company after an interval of three years, if the Company, so decides.