SAMUNNATI FINANCE PRIVATE LIMITED	
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GUIDELINES ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance

Samunnati Finance Private Limited **("Samunnati" or "Company"**) is a specialized Agri Value Chain enabler that provides innovative and customized financial and non-financial solutions. Samunnati leverages the social capital and trade capital in buyer seller relationships via Samunnati Aggregators (SA[1]), through non-traditional[2] sourcing, risk assessment and mitigation, aided by cutting edge technology, thereby building a quality business that is sustainable and results in inclusive growth.

The Company endeavours to adopt the best practices and the highest standards of Corporate Governance through transparency in business ethics, accountability to its investors and other stakeholders, regulatory authorities and others. The Company is committed to acting at all times in the best long-term interests of its investors, clients and other stakeholders.

2. Guidelines on Corporate Governance

In order to enable Companies to adopt the best practices and greater transparency in their operations, the Ministry of Corporate Affairs (MCA), Institute of Company Secretaries of India (ICSI) and the Reserve Bank of India (RBI) have issued guidelines, standards and circulars, based on which the Company has framed the following internal Guidelines on Corporate Governance.

3. Board of Directors

The Company believes that a well-functioning, informed Board of Directors is the key to good corporate governance. The Board should have a core group of excellent, professionally acclaimed non-executive directors who understand their dual role, of appreciating the issues put forward by management, and honestly discharging their fiduciary responsibilities towards the Company's shareholders as well as creditors.

The Board may, at its discretion and in line with the prevailing applicable laws, form sub Committees of the Board that may carry out some of the functions of the Board.

[1]Samunnati Aggregators (SA) are key partners who possess trade capital and social capital and whose interests are aligned with that of Samunnati. They give Samunnati access to potential clients with social capital and trade capital and also substantially participate in the risks in dealing with such clients.

[2]Non- traditional refers to new and innovative ways of how we do sourcing and risk assessment/mitigation, while retaining the basic principles of lending. We choose not to follow the traditional methods of sourcing and underwriting because we consider ourselves as not just lenders and also have the advantage of being able to mitigate risks by creating safety nets for customers & Samunnati via our value chain orientation.

4. Structure of the Board

The Company's Board is broad based having an optimum combination of Professionals and Independent Directors.

Minimum and Maximum number of directors: As per the Articles of Association of the Company and the Shareholders Agreements entered into by the Holding Company.

The Board shall meet at least once in a quarter and more frequently as may be required. The time gap between two Board Meetings shall not be more than 120 days. The Company is professionally managed through the Board of Directors and through the standing Committees of the Board of Directors.

The Company shall ensure that all its Directors meet the fit and proper criteria as contained in the Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025 and other relevant criteria as may be specified under the Companies Act, 2013 from time to time.

5. Functions and responsibilities of the Board

The broad functions and responsibilities of the Board include (but are not restricted to) the following.

1. The Board is responsible for setting the strategic goals of the Company and for oversight of the management of the Company and direction of its business strategy, with the ultimate aim of increasing shareholders' value and protecting the interests of the investors.

2. In carrying out its principal function, the Board's specific responsibilities include:

    i) providing strategic direction for, and approving, the Company's business strategies and objectives;

    ii) monitoring the operational and financial position and performance of the Company;

    iii) reviewing reports from Senior Management regarding the extent of compliance with the Company's policies and evaluating the effectiveness of these policies;

    iv) identifying the principal risks faced by the Company and taking reasonable steps designed to ensure that appropriate internal controls and monitoring systems are in place to manage and, to the extent possible, reduce the impact of these risks;

    v) requiring that financial and other reporting mechanisms be put in place by the Chief Executive Officer (CEO) which will result in adequate, accurate and timely information being provided to the Board and other stakeholders of all material developments relating to the Company;

vi) appointing the CEO, approving other key executive appointments and planning for executive succession;

vii) overseeing and evaluating the performance of the CEO, and other senior executives, in line with the Company's business strategies and objectives;

viii) instituting and implementing procedures for the annual review and evaluation of the performance of the Board;

ix) reviewing and approving remuneration for the senior executives of the Company;

x) approving the Company's budgets and business plans and monitoring the management of the Company's capital, including the progress of any major capital expenditures, investment recommendations, fund performance etc.

xi) establishing procedures to ensure that financial results are appropriately and accurately reported on a timely basis in accordance with all legal and regulatory requirements;

xii) adopting appropriate procedures to ensure compliance with all laws, regulatory requirements and accounting standards;

xiii) approving, and reviewing from time to time, the Company's internal compliance procedures, including any codes of conduct and taking all reasonable steps to ensure that the business of the Company is conducted in an open and ethical manner;

xiv) reviewing and, to the extent necessary, amending Committee and other Charters and Policies.

6. Details of Committees

The Board has the power to constitute Committees with specific reference to its scope and functions. The Committees shall act in terms of the scope laid down by the Board, Companies Act 2013 and other applicable regulations and the Minutes of the meetings of all Committees shall be placed before the Board for the Board's information. Any amendments to the Committee Charters or Terms of Reference shall be approved by Board.

The Board has formed the following Committees.

These Committees are governed by the respective Charters or Terms of reference as approved by the Board.

a) **Nomination and Remuneration Committee**

The Company has formed a Nomination and Remuneration Committee to ensure 'fit and proper' status of proposed/ existing directors as prescribed in the Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025. The Nomination and Remuneration Committee shall have the powers, functions and duties as laid down in Section 178 of the Companies Act, 2013

b) **Audit Committee**

The Company has constituted an Audit Committee as required under Section 177 of the Companies Act, 2013 and the Audit Committee has the powers, functions and duties as laid down in Section 177 of the Companies Act, 2013. The Audit Committee ensures that an Information System (IS) Audit of the internal systems and processes is conducted at least once in a year to assess operational risks faced by the Company.

c) **Risk Management Committee**

The Company has constituted a Risk Management Committee, to oversee/review the integrated potential risks, besides the Asset Liability Management Committee.

d) **IT Strategy Committee**

The Company has constituted an IT Strategy Committee, in accordance with Reserve Bank of India Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated November 7, 2023.

e) **Stakeholders' Relationship Committee**

The Company has constituted a Stakeholders Relationship Committee in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013.

f) **Corporate Social Responsibility Committee**

The Company has constituted a Corporate Social Responsibility Committee, in accordance with Section 135 of the Companies Act 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

g) Finance Committee

The Company has constituted a Finance Committee pursuant to powers of the Board provided under Section 179 of the Companies Act, 2013. The Finance Committee has been delegated with powers to borrow monies, to give guarantee or provide security, approve opening and closing of bank accounts, approve addition or deletion of authorized signatories for bank accounts, invest funds, approve borrowing and mobilizing long term resources through issuance of Non-Convertible Debentures (NCDs).

h) Investment Committee

The Company has constituted an Investment Committee pursuant to the powers of the Board provided under Section 179 of the Companies Act, 2013. The Investment Committee has been delegated with powers to oversee the Company's activities in the investment portfolio and its management, establish limits on the minimum and maximum amounts that can be invested, subject to the overall limits as mentioned in the Investment Policy of the Company, monitor the performance of the Company's investment portfolio and plan the future investment strategy and ensure that the Investment Policy and guidelines along with the guidelines of various regulatory authorities are adhered to.

7. Fit and Proper Criteria for Directors

The Company shall ensure a Board approved Fit and Proper Criteria Policy for Directors, in line with the Reserve Bank of India Master Directions and other relevant circulars is in place and is complied with, in full, at all times

8. Disclosure and transparency

The Company shall ensure that highest standards of disclosure and transparency is maintained in all communication/reporting to stakeholders, including the Board, Shareholders, Regulators etc.

9. Authority delegated to Senior Management

The Board has delegated to the Senior Management, authority over the day-to-day management of the Company and its operations. Among other things, this delegation of authority includes responsibility for:

i. developing business plans, budgets and company strategies for the Board's consideration and, to the extent approved by the Board, implementing these plans, budgets and strategies;

ii. operating the Company's business within the parameters set by the Board from time to time and keeping the Board informed of all material developments relating to the business;

iii. where proposed transactions exceed the parameters set by the Board, referring the matter to the Board for its consideration and approval;

iv. 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.

v. identifying and managing any business risks, and if those risks could materially affect the Company or its business, formulating, and seeking approval by the Board, strategies to manage those risks;

vi. managing the Company's financial and other reporting mechanisms to ensure that these are functioning effectively to capture all relevant material information on a timely basis and to ensure the financial reports represent a fair and true picture of the business;

vii. implementing the Company's internal controls and procedures for monitoring these controls and ensuring that these controls and procedures are appropriate and effective;

viii. taking all reasonable steps to ensure that the Board and all other stakeholders are provided with accurate and sufficient information regarding the Company's operations on a timely basis and, in particular, that the Board is made aware of all relevant matters relating to the Company's performance (including future performance), portfolio performance, financial condition, operating results and prospects, and potential material risks so that the Board is in an appropriate position to fulfil its corporate governance responsibilities;

ix. ensuring the overall risk management, internal compliance, and internal control systems are operating efficiently and effectively in all material respects;

x. implementing all policies, processes and codes of conduct approved by the Board; and

xi. adherence to all applicable laws and regulations, including but not restricted to the Companies Act 2013, Reserve Bank of India Master Directions for NBFCs, SEBI regulations etc.

10. **Rotation of Statutory Audit partners**

As per the Guidelines for Appointment of Statutory Auditors for NBFCs issued by Reserve Bank of India (RBI) vide ref. no. RBI/2021-22/25 - DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021, in order to protect the independence of the auditors/audit firms, the Company appoints the Statutory Auditors for a continuous period of not more than 3 years. The retiring auditor at the end of the 3 years period shall be eligible for appointment as statutory auditor of the Company only after an interval of 6 years, if the Company so decides. The Company shall incorporate appropriate terms in the letter of appointment of the firm of auditors and ensure compliance.

11. Internal Control

The Board is responsible for the Company's system of internal controls over the financial reporting and for reviewing its effectiveness. The Board shall establish an on-going process for identifying, evaluating and managing the significant risks faced by the Company. The Company's internal audit Head shall be responsible to submit formal quarterly reports to the Audit Committee / Board, detailing the steps taken to monitor the areas of internal risk and details of any known internal control failures.

12. Code of Business Conduct and Ethics

The Company believes that independence, responsibility, transparency, professionalism, accountability and code of ethics are the basic tenets of corporate governance. The Company shall focus on corporate governance as a means to maximize long-term stakeholders' value through disciplined and sustained growth and value creation.

This Code of Business Conduct and Ethics helps to ensure compliance with legal requirements and standards of business conduct. The Head of Compliance shall be the Compliance Officer for the purposes of the Code.

In performing their functions, the directors and the employees of the Company shall:

- Act honestly, diligently and in good faith and integrity with due care, competence and diligence, without allowing their independent judgement to be subordinated in all their dealings with and for the Company; act in the best interests of the Company and its shareholders and fulfil the fiduciary obligations; and not engage in conduct likely to bring discredit upon the Company.

- Not use any confidential information obtained by them in the course of their official duty, whether from the Company or otherwise, for personal gain, or use/ allow the use of such information for the financial benefit for any other person.

- Not engage in any business, relationship or activity, which might detrimentally conflict with the interest of the Company.

- All Board members and Senior Management shall comply with all applicable laws, rules, regulations and guidelines, and shall report actual non-compliances, if any, of law, this Code, or other policies or procedures to the Board.

- Maintain the principle of "need to know" and also confidentiality of all material non-public information about the Company, its business and affairs.

- Not to use their status to seek or accept any personal gains or favors from those doing or seeking to do business with the Company or from other employees of the Company.

- Not share any information regarding the Company, its business and/ or affairs with media without the prior approval of the CEO.

- Giving and receiving gifts: A Samunnati Employee shall:

    - Not accept, any gifts[1]/ donations/ comparable benefits in cash or kind, if it is likely to lead to a business relationship with the Company, provided that non-cash gifts up to a value not exceeding INR 5000/- can be accepted. If refusing a gift beyond this value would affect a relationship with the Company, the gift may be accepted and handed over to the Company, subject to the approval of the Executive Director/CEO.

    - Give gifts/donations/ comparable benefits in cash or kind, provided that such non-cash gifts given do not exceed a value of INR 1000/-, restricted to a maximum of INR 5000/- in a year. Any Gifts, in cash or in kind, exceeding a value of INR 1,000/- (Indian Rupees One Thousand Only) or beyond the annual limit as stated above, shall require the prior approval of the Executive Director/CEO of Samunnati. All Gifts given shall be recorded and explained in the expense claim form of the employee, in a proper and timely manner. All Gifts given shall be in line with all applicable rules, laws and regulations and shall not include alcohol or such other prohibited items.

In addition, in performing their Board and Committee functions, the directors shall:

- Not hold position of director/ advisor with a competitor Company

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[1] A "Gift" is anything of value that is given to or received from any person or organization with which Samunnati does business or is actively considering doing business (e.g., vendors, consultants, customers) or with which Samunnati competes or any person employed by any such organisation, or that otherwise directly or indirectly relates to a person's employment with Samunnati.

Gifts include—but are not limited to—gifts; meals; lodging; loans; cash; gratuity; favor; entertainment; fee; commission; favorable terms or discounts on any product or service; services; equipment; prizes; products; transportation; use of vehicles, vacation, or other facilities; stocks or other securities; home improvements; tickets; gift certificates; gift cards; discount cards; memberships; employment or consulting relationships or services; or any other form of compensation or benefit.

A Gift is considered given or received by an Samunnati Employee if the Gift is given or received by any of the following:

- The employee; Any family member or relative of the employee, including, but not limited to, payments to or by, or employment of, any such family member or relative; or
- Any other person or entity at the employee's direction or for the employee's benefit.

- In case a director/Member is on the Board of a company/is engaged in a related business, the Board shall specifically take note and approve of these interests.

- Inform the Company and the Chairman of changes in their interests that may interfere with their ability to perform their duties, and in the case of "Independent directors", impact their independence as a Board Member.

This code embodies the belief that acting always with the Company's legitimate interest in mind and being aware of the Company's responsibility towards its stakeholders is an essential element of the Company's progress towards long term excellence.