

AGRIWISE FINSERV LIMITED (ERSTWHILE STARAGRI FINANCE LIMITED)

INTERNAL GUIDELINES ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Agriwise Finserv Limited (Erstwhile StarAgri Finance Limited) 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 Company' Board has a primary role of trusteeship to protect and enhance stakeholders value through supervision and strategic inputs. The Board along with Committees provides supervision and exercises appropriate controls and in addition to basic governance issues, the Board lays down strong emphasis on transparency and integrity.

The Board of Directors 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. The Nomination and Remuneration Committee will recommend all the persons to be proposed by the Board to the Company's shareholders for election or any person to be elected or appointed by the Board to fill interim director vacancies on the Board. The Company shall adhere to and follow the procedures stated in the policy as mandated by the Board for appointment, remuneration and evaluation of Directors.

The Company shall comply with the term and directorship limitations for Board members as mandated by law. All the Directors shall make the necessary annual disclosure and declarations regarding their directorships and Committee positions and shall intimate changes as and when they take place.

The Board shall meet at least once in a quarter for considering various business and operational matters and also periodically review compliances of all laws applicable to the Company.

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 minutes of the meetings or periodical updates about the decisions taken by such Committees of the Board shall be placed before the Board for discussions / noting.

While the RBI Guidelines mentioned above, require the setting up of an Audit Committee, Asset Liability Supervisory Committee, Risk Management Committee and Nomination & Remuneration Committee, various other Committees under the provisions of Companies Act, 2013 (“Act”) are also been constituted for improving board effectiveness and efficiency in areas where more focused, specialized and technically oriented discussions are required.

Details of the various Committees are as under:

Audit Committee

The Company has constituted the Audit Committee in accordance with the provisions of Act and applicable provisions of RBI guidelines.

The terms of reference, composition, roles and duties, frequency of meetings and quorum thereof etc. shall be as encompassed by and in the Act, applicable guidelines and as may be suggested by the Board from time to time.

Nomination and Remuneration Committee

As envisaged in the Act and applicable guidelines of RBI on Corporate Governance a Nomination and Remuneration Committee has been constituted consisting of Non- executive directors for election of members of the Board of Directors, and in handling matters within its scope of responsibility that relate to the conditions of employment and remuneration of senior management, and to management’s and personnel’s remuneration and incentive schemes.

The Committee shall be responsible to carry out such duties as enlisted in the Act and RBI guidelines in accordance with the policies as mandated by the Board. The Company has in place the Nomination and Remuneration Policy for matters relating to appointment, removal, remuneration, and increments of directors and Senior Management and a Performance Evaluation policy for the purpose of evaluation of each of the Directors, the Board as whole and its Committees.

Asset Liability Management Committee

Pursuant to the applicable guidelines the Company shall be constituting The Asset Liability Management Committee which shall be responsible for monitoring the asset liability gap and strategize action to mitigate the risk associated with the business of the Company from time to time. Also the Committee shall oversee the implementation of the Asset Liability Management system and to periodically review it’s functioning.

Risk Management Committee

The Company is exposed to various kind of risk such as strategic risk, data security risk, fiduciary risk, credit risk, liquidity risk, reputational risk, environmental risk, competition risk, fraud risk, technological risk etc. Thus as required by applicable guidelines a Risk Management Committee shall be constituted to assist the Board in managing integrated risk by establishing risk management policy, overseeing and monitoring its implementation.

The Company also has a structured framework to satisfy that it has sound policies, procedures and practices are in place to manage the key risks and to convert a risk into an opportunity under risk framework of the company.

Credit /Executive Committee

Credit/Executive Committee consisting of Directors and Key Management Personnel have been constituted to consider the lending proposals as per the credit policy approved by the Board. The said Committee also considers other routine matters as delegated by the Board. The minutes of the meeting and/or proposals approved by the Committee are also placed before the Board on a periodical basis.

Finance

The Company being an NBFC has constituted a Finance Committee to consider and approve the investment and borrowing proposals for the business requirements of the Company within the limits approved by the Board of Directors. The minutes of the meeting and/or proposals approved by the Committee are also placed before the Board on a periodical basis.

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. Periodical certifications about compliances of the applicable laws shall be placed before the Board meeting.

AUDITORS

Statutory Auditors

The Statutory Audit firm and its partners shall rotate periodically as required under the provisions of the Act 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.

Internal Auditors

The Internal Auditors appointed by the Board and Audit Committee in accordance with the provisions of applicable laws shall perform independent and objective assessment of internal controls , processes and procedures as envisaged by the Management and to monitor its adequacy

Secretarial Auditors

The Board shall appoint an independent Company Secretary in Practice, in accordance with the applicable provisions of the Companies Act, 2013, to conduct secretarial audit of the Company for every financial year. The Secretarial Auditor shall provide its report in form and manner as prescribed under the governing laws. The report shall be placed before the Board for its noting and records and the same shall be annexed to the Board Report.

COMPLIANCE OFFICER

The Company Secretary shall be the Compliance Officer of the Company