

**SUN INVESTMENTS PRIVATE LIMITED**  
**GUIDELINES ON CORPORATE GOVERNANCE**

Document Control Sheet	
Document Name	GUIDELINES ON CORPORATE GOVERNANCE
Name of Company	Sun Investments Private Limited
Policy Authorization by	Board of Directors
Board Approval date	December 26, 2024

## **BACKGROUND**

The Guidelines on Corporate Governance ('Policy') provides the framework under which the Board of Directors operate. It includes Company's corporate structure, culture, policies and the manner in which it deals with various stakeholders.

The Policy has been aligned with the Companies Act, 2013 ('Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and the provisions of Corporate Governance guidelines as stipulated by the Master Direction – Non-Banking Financial Company - Systemically Important Non-Banking Financial Company, (Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023, Updated as on November 10, 2023

As per the Directions inter alia all non-deposit accepting Non-Banking Financial Companies with asset size of Rs.500 crore and above (NBFCs-ND-SI), as per its last audited balance sheet should frame internal guidelines on Corporate Governance with the approval of the Board of Directors and it shall be published on the Company's website for the information of various stakeholders

## **COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Company's Philosophy on Corporate Governance is a combination of voluntary practices and compliance with laws and regulations leading to delegation of operational powers to experienced staff members, effective control oversight mechanism, strategies and policies which are constantly reviewed and strengthened to be in alignment with market realities and overall management of the organization. In ensuring that the desired levels of corporate governance practices are imbibed in the organisation and with a focus on its own fiduciary & trusteeship role, the Board of Directors of the Company seeks to evolve, strengthen and adopt structures and policies which would align and direct the actions of the organisation towards creating wealth and shareholders' value. The Board has adopted various code and policies to carry out duties and functions in most ethical and compliant manner.

## **POLICY**

### **A. BOARD OF DIRECTORS**

The Board is responsible to act in the best interests of the Company and its shareholders. In discharging their duties, the Directors shall comply with the Code of Conduct as adopted by the Board.

The Company shall maintain an optimum combination of the Board pursuant to the applicable statutory provisions/ regulatory guidelines. Eminent persons, who can effectively contribute to the Company's business and policy decisions, should be considered by the Nomination & Remuneration Committee for appointment as Director on the Board. The number of directorships and memberships held in other companies by such persons should also be considered. The Board should consider the recommendations of the Nomination & Remuneration Committee and take appropriate decisions with regard to continuance of and induction of new members on the Board of the Company, after ascertaining the 'fit and proper' status.

The Board shall review and approve business strategy and oversees the actions and results of the management to ensure that the long-term objectives of enhancing stakeholder value are achieved.

The Composition of the Board shall be governed by the Articles of Association of the Company read with the applicable provisions of the Companies Act, 2013 (the Act), the Rules framed thereunder read with SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) and RBI Master Directions as applicable.

## **B. BOARD MEETINGS**

Meetings of the Board of Directors shall be held at least four times a year, with a maximum time gap of not more than one hundred and twenty days between any two consecutive meetings. The minimum information to be statutorily made available to the Board, pursuant to the applicable guidelines, Securities and Exchange Board of India (Listing Obligations & Disclosure

Requirements) Regulations, 2015 ("SEBI Listing Regulations") shall be furnished to the Directors. The facility to participate in the meeting through video conferencing shall be made available to the Directors travelling abroad or present at any locations as per applicable provisions of Law.

## **C. COMMITTEES OF THE BOARD**

Board shall constitute a set of Committees with specific terms of reference/ mandate, as to effectively focus on the issues falling under their jurisdiction. Minutes of proceedings of Committee meetings shall be placed before the Board at their meetings held immediately after minutes of such meeting entered in the Minutes Book, for noting.

Pursuant to the extent statutory provisions/ regulatory guidelines and business requirements, the Board may constitute the following Committees:

### **1. Audit Committee**

The Audit Committee shall comprise of minimum three directors possessing considerable experience and expertise in accounting and financial management with not less than two-third members as Independent directors with Chairman also being an independent director. The Committee shall meet at least four times a year, with a maximum time gap of not more than one hundred and twenty days between any two meetings. The quorum for the meeting shall either be two members or one third of the members of the audit committee, whichever is greater. The Committee shall be governed by the provisions of the Act, SEBI Listing Regulations, RBI guidelines, to the extent applicable and as per the terms of reference of the Committee.

### **2. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee shall consist of at least three non-executive directors with not less than two-third being Independent Directors and the Chairperson shall be an Independent Director. The Committee shall meet at least once in a year. The quorum for a meeting shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance. The Committee shall be governed by the provisions of the Act, SEBI Listing Regulations, RBI guidelines, to the extent applicable and as per the terms of reference of the Committee.

### **3. Risk Management Committee**

The Board shall constitute RMC in compliance with RBI Master Directions for NBFCs / CICs read with SEBI Listing Regulations. The Committee shall have a minimum of three members with majority of them being members of the board of directors, including at least one independent director. The Chairperson of the Risk management committee shall be a member of the board of directors and senior executives of the listed entity may be members of the committee. The Committee shall meet at least twice a year and not more than one hundred and eighty days shall elapse between any two consecutive meetings. The quorum for a meeting of the committee shall be either two members or one third of the members of the committee, whichever is higher, including at least one member of the board of directors in attendance. The Committee shall be governed by the provisions of the Act, SEBI Listing Regulations, RBI guidelines, to the extent applicable and as per the terms of reference of the Committee.

### **4. IT Strategy Committee**

The Company shall constitute an IT Strategy Committee, as required under the Master Direction - Information Technology Framework for the NBFC Sector. The chairperson of the Committee shall be an independent director and the Committee shall meet at an appropriate frequency as prescribed.

### **5. Asset Liability Management Committee (ALCO)**

The Committee shall be led by Board of Directors of the Company and may consist of the Company's top management. The Committee shall be responsible for ensuring adherence to the risk tolerance/ limits set by the Board as well as implementing the liquidity risk management strategy of the Company.

In addition, the Board may constitute such other Committee in line with the best practices and operational requirement, from time to time.

### **D. FIT & PROPER CRITERIA**

The Company shall have in place a Board approved policy for ascertaining the fit and proper criteria of the directors at the time of appointment, renewal of appointment and on a continuing basis. The Company must obtain a declaration and undertaking from the directors giving additional information on the directors and a Deed of Covenant signed by the directors, in the format prescribed. The Company shall furnish to RBI, a quarterly statement on change of directors, and a certificate that fit and proper criteria in selection of the directors has been followed. The statement must reach the Regional Office of the Department of Supervision of the Bank where the company is registered, within 15 days of the close of the respective quarter. The statement submitted by applicable NBFC for the quarter ending March 31, shall be certified by the auditors.

## **E. ROTATION OF PARTNERS OF THE STATUTORY AUDITORS AUDIT FIRM**

The appointment of the statutory auditors shall be made in compliance of the provisions of the Companies Act, 2013, Rules made thereunder read with RBI Circular No. RBI/2021-22/25 dated April 27, 2021 and other applicable provisions. Company to appoint the Auditors for a continuous period of three years, subject to the firms satisfying the eligibility norms each year.

These provisions shall be read with the 'Guidelines for Appointment of Statutory Central Auditors (SCAs)/ Statutory Auditors (SAs)' dated 27 April 2021, issued by Reserve Bank of India and as amended from time to time.

## **F. APPOINTMENT OF CHIEF COMPLIANCE OFFICER (CCO)**

(a) As per RBI Circular dated April 11, 2022 read with Revised Regulatory Framework for NBFCs' Circular dated October 22, 2021, the Company being NBFC-ML is required, to have an independent Compliance Function, appoint Chief Compliance Officer (CCO) and have Board approved Compliance Policy.

(b) The CCO shall be the nodal point of contact between the Company and the regulators/ supervisors and shall necessarily be a participant in the structured or other regular discussions held with RBI. Further, compliance to RBI inspection reports shall be communicated to RBI necessarily through the office of the Compliance Function.

(c) The terms of appointment and tenure of Chief Compliance officer as prescribed in said guideline is enumerated below:

- i. The CCO shall be appointed for a minimum fixed tenure of not less than 3 years. However, in exceptional cases, the Board Committee may relax the minimum tenure by one year, provided appropriate succession planning is put in place;
- ii. The CCO shall be transferred / removed before completion of the tenure only in exceptional circumstances, with the explicit prior approval of the Board / Board Committee, after following a well-defined and transparent internal administrative procedure;
- iii. The CCO shall be a senior executive of the Company with a position not below one levels from the CEO for Company being NBFCs-ML. If the Company considers necessary, the CCO can also be recruited from the market;
- iv. The CCO shall have a good understanding of the industry and risk management practices, knowledge of regulations, legal requirements, and have sensitivity to Supervisory expectations;
- v. The CCO shall have the ability to exercise judgment independently and have the freedom and authority to interact with regulators / supervisors directly and ensure compliance;
- vi. CCO shall have a clean track record and unquestionable integrity.
- vii. The CCO shall have direct reporting lines to the MD & CEO and / or Board / Board Committee. In case the CCO reports to the MD & CEO, the Board / Board Committee shall meet the CCO at quarterly intervals on a one-to-one basis, without the presence of the senior management, including MD & CEO. The CCO shall not have any reporting relationship with the business verticals. Further, the performance appraisal of the CCO shall be reviewed by the Board / Board Committee.

(d) Company is required to have Board-approved Compliance Policy clearly spelling out its Compliance philosophy, expectations on Compliance culture, structure and role of the Compliance function, the role of CCO, processes for identifying, assessing, monitoring, managing, and reporting on Compliance risk.

The policy shall be subject to review by the Board from time to time.

**Place:** Mumbai

**Date:** December 26, 2024

**Sd/-  
Chairman**