



# RAR FINCARE LIMITED

Governance Framework

## Introduction

Corporate governance is responsible for setting the rules, processes and practices by which a company is managed. Corporate governance is the primary responsibility of the Board. The Board performs its duties with the support of management staffs. Timely and accurate disclosure of financials, performance, governing structure and ownership of the company is an important part of corporate governance. This corporate governance code will help the board in balancing the interest of all stakeholders including customers, regulators, shareholders and the community in large and guiding the company in the most transparent, efficient and ethical manner.

## Objective

RAR Fincare Limited's corporate governance philosophy is aimed at assisting the management in conducting the business in the most efficient, compliant, and transparent manner.

## Board of Directors

The current composition of the board is detailed below: -

<b>S. No:</b>	<b>Name of the Director</b>	<b>Designation</b>
1	Mr. Rajendran Govindarajulu	Director
2	Mr. Ananthapadmanabhan Rajendran Govindaraj	Director
3	Mr. Parthasarathy	Director
4	Mr. Radhakrishnan Rajendran Govindarajulu	Director

The Board shall be responsible for exercising its business judgments to act in what it reasonably believes to be in the best interests of the Company. The Board of Directors along with its constituted Committees shall provide direction and guidance to the Company's Leadership Team and shall further supervise and review the performance of the Company.

As the Directors occupy fiduciary position, they shall attend and actively participate in Board and its Committee meetings thereof, on which they serve, and shall properly discharge their responsibilities.

The Board shall be responsible for overall compliance with the corporate governance of the Company and oversee the business affairs, in doing so the Board must act honestly, in good faith and in the best interests of the Company. Further the Board will have a vital role to play in the matters relating to Policy Formulation, implementation and strategic issues which are crucial for the long-term development of the organization.

## Fit & Proper Criteria for Directors

The Company shall ascertain the fit and proper criteria of directors at the time of appointment and on a continuing basis. The Nomination and Remuneration Committee shall review the appointment/re-appointment of Directors considering their qualifications, expertise, track record, integrity and other 'fit and proper' criteria.

## Board Composition

The Company's Board shall have an optimum combination of Executive, Non-Executive and Independent Directors in line with the requirements of the provisions of the Companies Act, 2013 and the Articles of Association of the Company.

A Director shall not hold the office of Director in more than 20 companies and the maximum number of directorships in public companies shall not be more than 10. None of the Directors on the Company's Board shall be a Member of more than 10 Board Committees and Chairman of more than 5 Board Committees across all companies in which they are Directors. All the Directors shall make the necessary annual disclosure regarding their change in concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including shareholding, directorships and committee positions and shall intimate changes as and when they take place.

## Independent Directors

Independent Directors shall comply with the provisions specified in Schedule IV to the Companies Act, 2013 and the relevant RBI regulations. They shall be eligible for sitting fees for attending the meetings of the Board, Committees', etc. They shall also be eligible for commission on profits if approved by the Board. The sitting fees and commissions payable, if any, shall be within the prescribed limits of the Companies Act, 2013 and as approved by the Board and Shareholders. Apart from sitting fees and commission, the Independent Directors shall also be eligible for reimbursement of expenses incurred for attending the Board and other meetings.

Other Non-Executive Directors of the Company shall be eligible for compensation as may be approved by the Board.

## Attendance at Board Meetings

The Directors shall strive to attend all meetings of the Board and its Committees. In case a Director is unable to attend specific Board Meeting, he or she shall obtain leave of absence from the Board.

## Minutes

The minutes of all meetings of the Board shall be circulated to the Board and shall be noted in the consequent Board Meeting.

## Board Committees

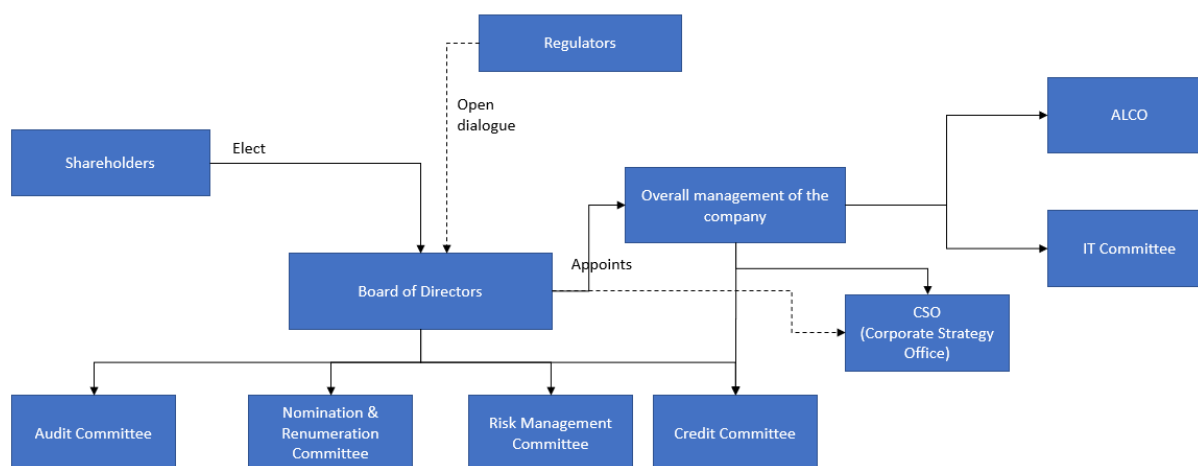
To focus on the critical functions of the Company, the Board may constitute such Committees as and when required to ensure smooth functioning of the Company. The Board shall have the following sub committees:

- Audit Committee
- Nomination & Remuneration Committee
- Risk Committee

The terms of reference of the above-mentioned Committees shall be determined by the Board from time to time.

The board shall institute additional sub committees time to time as per requirements from Ministry of Corporate Affairs or RBI.

## Corporate Governance Structure



## Other Committees

In addition to the board committees, the following committees shall be constituted: -

- Credit Committee
- Asset-Liability Committee (ALCO)
- IT Strategy Committee

## Review

This Code shall be reviewed by the Board of Directors on a regular basis, to align with the prevalent regulatory and business requirements.