

ITI Gold Loans Limited

CORPORATE GOVERNANCE POLICY

Policy Title	Corporate Governance Policy
Applicable Entity	ITI Gold Loans Ltd
Regulatory Basis	RBI (Non-Banking Financial Companies – Governance) Directions, 2025 [RBI/DOR/2025-26/344 dated November 28, 2025] (Chapters I, II, III and IV, applicable to NBFC-ML), read with the Companies Act, 2013 (Sections 149, 177, 178, 134, 135, 203 etc.) and applicable Secretarial Standards
Version	5.0
Approved By	Board of Directors
Effective Date	15 th April, 2026
Policy Owner	Company Secretary & Compliance Officer
Review Frequency	Annually, or earlier upon regulatory change

1. Preamble and Objective

This Corporate Governance Policy (“the Policy”) is framed by [ITI Gold Loans Limited] (“the Company”) in compliance with the Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025 dated November 28, 2025 (“the Governance Directions”), which repealed and replaced the governance-related provisions of the erstwhile Master Direction – Non-Banking Financial Company – Scale Based Regulation Directions, 2023, and consolidated all RBI governance instructions for NBFCs into a single framework. The Policy is further aligned with the Companies Act, 2013 (“the Act”), applicable Secretarial Standards issued by the ICSI, and SEBI (LODR) Regulations, 2015 to the extent applicable on account of the Company's listed debt securities.

The Company, being classified as an NBFC-Middle Layer (NBFC-ML) under the Scale Based Regulation (SBR) framework, is required to comply with Chapters I, II, III and IV of the Governance Directions. The objective of this Policy is to institutionalise sound corporate governance as a way of life for the Company, maximising stakeholder value on a sustainable basis while ensuring fairness, transparency, and accountability across the Board, senior management, and control functions overseeing the Company's gold loan lending business.

2. Applicability

This Policy applies to the Board of Directors, all Board-level Committees, the Key Managerial Personnel (KMP), Senior Management, the Chief Compliance Officer, and all employees of the Company involved in governance, risk, and compliance functions. It governs Board composition and conduct, committee structures, fit and proper norms, compensation governance, and reporting obligations to the Reserve Bank of India and, where applicable, to the stock exchanges on account of the Company's listed non-convertible debentures.

3. Board Composition and Conduct

3.1 Composition

- The Board shall be constituted in accordance with the Companies Act, 2013 and the Governance Directions, with a balance of Executive, Non-Executive, and Independent Directors appropriate to an NBFC-ML;
- At least one Director on the Board shall have relevant experience of having worked in a bank or an NBFC, as mandated under paragraph 8 of the Governance Directions;
- Independent Directors shall be appointed in the manner and to the extent prescribed under Section 149 of the Act and the Governance Directions; an Independent Director shall not, within the permissible limits under the Act, be on the Board of more than three NBFCs (NBFC-ML or NBFC-UL) at the same time, and shall ensure there is no conflict of interest arising from simultaneous directorships;
- Key Managerial Personnel of the Company shall not hold office (including directorships) in any other NBFC-ML or NBFC-UL, except a directorship in a subsidiary of the Company.

3.2 Deed of Covenants and Continuing Due Diligence

- Every Director shall execute a Deed of Covenants, in the format prescribed under Annex III of the Governance Directions, at the time of appointment;
- The Company shall undertake due diligence to determine the 'fit and proper' status of Directors, both at the time of appointment and on a continuing basis, in accordance with the Board-approved Fit and Proper Policy (Section 4 below), including annual declarations from each Director;
- The Company shall report to the RBI, on a quarterly basis, any change in its Directors, along with a certificate from the Managing Director/CEO that fit and proper criteria have been complied with, in the format prescribed under Annex I of the Governance Directions.

3.3 Change in Directors/Management

The Company shall obtain prior written permission of the RBI, through the PRAVAAH portal, for any change in management that would result in a change of more than 30% of the Directors, excluding Independent Directors.

4. Fit and Proper Policy for Directors

The Company shall maintain a Board-approved Fit and Proper Policy, as mandated for NBFCs-ML under the Governance Directions, covering:

- Criteria for assessing the integrity, track record, and professional competence of persons proposed for appointment as Directors;
- Obtaining a declaration and undertaking, deed of covenants, and any other information considered necessary, from each Director at the time of appointment and annually thereafter;
- A process for the Nomination and Remuneration Committee to scrutinise the declarations and inform the Board of its findings before confirming re-appointment or continuation of a Director;
- Provision for the Company to seek information from third parties, such as regulators, statutory authorities, or credit information companies, where considered appropriate.

5. Committees of the Board

In terms of Chapter IV of the Governance Directions and the corresponding provisions of the Companies Act, 2013, the Company shall constitute the following Board Committees:

5.1 Audit Committee

- Constituted with a minimum of three Directors, in line with Section 177 of the Companies Act, 2013, with Independent Directors forming a majority;
- Responsible for oversight of financial reporting, internal audit outcomes, and statutory audit quality;

- The Head of Internal Audit shall report functionally to the Audit Committee (and not to the MD & CEO or CFO), so as to preserve the independence of the internal audit function.

5.2 Nomination and Remuneration Committee (NRC)

- Constituted in line with Section 178 of the Companies Act, 2013;
- Responsible for evaluating the fit and proper status of Directors and Key Managerial Personnel, recommending appointments and removals, and framing/reviewing the Compensation Policy;
- Ensures that variable pay for KMPs and Senior Management engaged in risk-taking is genuinely at risk – not guaranteed and not paid entirely upfront – and incorporates malus and clawback provisions as set out in Section 7 below.

5.3 Risk Management Committee (RMC)

- Constituted at the Board or executive level, as permitted under the Governance Directions;
- Responsible for evaluating the overall risks faced by the Company, including credit risk on the gold loan portfolio, liquidity risk, operational risk, and gold-price/collateral risk, and for reporting to the Board;
- For the Company's gold loan business specifically, the RMC shall periodically review collateral valuation methodology, LTV compliance, and auction/recovery trends as part of its risk oversight.

5.4 Other Committees

The Company shall additionally maintain such other Committees as may be required under the Companies Act, 2013 or SEBI LODR Regulations on account of its listed debt securities, including a Stakeholders Relationship Committee (if applicable) and a Corporate Social Responsibility Committee under Section 135, where the CSR thresholds are met.

6. Compensation Governance

- The Company shall maintain a Board-approved Nomination and Remuneration Policy addressing risks arising from misaligned compensation structures, applicable to KMPs and Senior Management involved in risk assumption or risk control;
- A substantial portion of variable pay shall be deferred and linked to long-term performance, and shall not be guaranteed;
- Every KMP employment contract shall contain a malus clause, permitting the Company to reduce or cancel unvested deferred variable pay where the KMP's role contributed to poor financial performance or a regulatory/compliance violation;
- Every KMP employment contract shall contain a clawback clause, permitting recovery of variable pay already paid out, in the event of fraud, misconduct, or deliberate misstatement of financial results discovered subsequently;
- The Policy shall be reviewed by the Nomination and Remuneration Committee at least annually.

8. Information and Reviews Placed Before the Board

In line with paragraph 15 of the Governance Directions, the Company shall place before the Board, at the prescribed frequency, reviews covering (as applicable to the Company's gold loan business):

- Portfolio quality, asset classification, and provisioning – including gold loan-specific metrics such as LTV breaches and auction outcomes;
- Compliance with statutory and regulatory requirements, and status of any supervisory action/inspection findings;
- Reports on grievance redressal, fraud monitoring, and the functioning of internal control and audit functions;
- Progress against the Company's Annual Business/Risk Plan, capital adequacy, and liquidity position;
- Any other information the Board or its Committees deem material to the discharge of their oversight responsibilities.

9. Companies Act, 2013 – Complementary Governance Obligations

- Board's Report and Annual Return: The Company shall prepare its Board's Report under Section 134 and Annual Return under Section 92, incorporating the disclosures on Corporate Governance, CSR (where applicable), and Related Party Transactions;
- Related Party Transactions: All RPTs shall be governed by the Company's separate Board-approved Related Party Transaction Policy, framed under Section 188 of the Act read with applicable RBI and SEBI LODR requirements;
- Vigil Mechanism: The Company shall maintain a Whistle Blower/Vigil Mechanism Policy under Section 177(9) of the Act, providing directors and employees a mechanism to report genuine concerns, with direct access to the Chairperson of the Audit Committee in appropriate cases;
- Corporate Social Responsibility: Where the CSR thresholds under Section 135 are triggered, the Company shall constitute a CSR Committee and formulate a CSR Policy;
- Secretarial Standards: The Company shall comply with Secretarial Standards SS-1 (Meetings of the Board of Directors) and SS-2 (General Meetings) issued by the ICSI in the conduct of Board and general meetings.

10. Disclosure and Transparency

The Company shall disseminate on its website and/or Annual Report, as applicable:

- Composition of the Board and its Committees, and the number of meetings held during the year;
- The Fit and Proper Policy,;
- Corporate governance disclosures mandated under SEBI LODR Regulation 62, including terms of appointment of Independent Directors and familiarisation programmes conducted.

12. Review of the Policy

This Policy shall be reviewed by the Board of Directors at least annually, or earlier upon any change in the Governance Directions, the Companies Act, 2013, or applicable SEBI LODR Regulations, including upon notification of the RBI (Non-Banking Financial Companies – Governance) Amendment Directions, 2026 once finalised.
