

# **Kay Kay Hire Purchase Private Limited**

## **Corporate Governance Policy**

The Company is committed to governance that protects customers, creditors, shareholders and other stakeholders while maintaining regulatory compliance and prudent risk-taking. Good governance is not a compliance exercise — for a regulated lender it is the mechanism by which competing interests are held in balance.

### **1. Board responsibility**

- Set strategy, risk appetite, culture and ethical expectations.
- Approve material policies, **products**, outsourcing arrangements and delegated authorities, and review them at least annually.
- Oversee financial reporting, capital, liquidity, asset quality, conduct, cybersecurity and compliance.
- Ensure management accountability, succession and adequate resources for the control functions.
- Oversee the conduct of dealers, agents and service providers acting on the Company's behalf.

### **2. Board composition and fitness**

- Directors and senior management meet the applicable **fit-and-proper**, competence, integrity, independence and conflict requirements prescribed by the Reserve Bank of India — covering integrity and reputation, qualifications and relevant experience, the absence of any disqualifying conviction or regulatory proceeding, the absence of any record of wilful default, and financial soundness.
- Each director furnishes a declaration and undertaking at appointment and annually thereafter, together with a deed of covenant. The Board maintains a record of the assessment and furnishes to the Reserve Bank such statements and certifications as are prescribed.
- The Board meets at the frequency prescribed under the Companies Act, 2013 and applicable RBI directions, with agenda papers circulated in advance and minutes maintained.

### **3. Committees and control functions**

- The Company constitutes the Board and management committees required by its regulatory category, size and business model — typically Audit, Nomination and Remuneration, Risk Management, Asset Liability Management and IT Strategy — each under written terms of reference.
- Risk, compliance, internal audit and finance have appropriate independence, unrestricted access and authority to escalate.
- Committee terms, quorum, reporting and escalation are documented, and minutes are placed before the Board.

### **4. Conflicts and related parties**

- Directors, officers and employees must disclose actual or potential conflicts and recuse themselves where appropriate.

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- Related-party transactions are identified, reviewed, priced on an arm's-length basis, approved under applicable law, and disclosed in the financial statements.
- Company opportunities, information and assets must not be used for undisclosed personal benefit.

## **5. Ethical conduct and whistleblowing**

- The Company maintains standards on integrity, anti-bribery, gifts and hospitality, confidentiality, market conduct, harassment and fair customer treatment.
- A protected reporting channel allows concerns to be raised confidentially and without retaliation, with defined investigation and escalation procedures. Reports are placed before the Audit Committee.
- The Company maintains a policy for the prevention of sexual harassment at the workplace in accordance with the 2013 Act, including an Internal Committee.

## **6. Internal control and audit**

The Company maintains internal financial controls appropriate to its nature and scale — maker-checker controls, segregation of duties, delegation of authority, reconciliation, physical custody controls over documents of title and asset records, and access controls over systems and data. Internal audit conducts risk-based audits and reports to the Audit Committee, which monitors closure.

## **7. Outsourcing, dealers and group arrangements**

- Material outsourcing undergoes due diligence, risk assessment, contractual control, monitoring, business-continuity planning and audit access.
- **The Company remains responsible for its regulated obligations and for customer outcomes even where an activity is outsourced.**
- Dealer and partner branding must not obscure the identity of the lender or create a misleading representation.
- Core management functions — the credit sanction decision, determination of KYC compliance, internal audit, and management of the risk and compliance functions — are not outsourced.

## **8. Compliance and disclosure**

- The Company maintains a compliance framework, monitors regulatory change, and files regulatory returns within prescribed timelines. Non-compliance and remedial action are reported to the Board or the Audit Committee.
- Statutory, regulatory and customer disclosures are made accurately and on time. Website information is current, internally approved and consistent with corporate and regulatory records.

## **9. New product governance**

**No new product is launched without Board or committee approval**, a documented credit policy, an approved pricing framework, a KFS and agreement template, a privacy

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assessment, a collections approach and an accounting treatment. This applies specifically to the unsecured bullet personal loan.

## **10. Customer protection as a governance obligation**

The Board treats fair customer conduct as a governance matter, and periodically reviews grievance redressal, compliance with the Fair Practices Code, collection and repossession conduct, and the conduct of dealers and agents.

## **11. Review**

The Board or an authorised committee reviews governance effectiveness, policy exceptions, regulatory change and remediation. This public policy is supplemented by detailed internal charters and procedures.