

Code of Corporate Governance

Nomura Capital (India) Private Limited

Sections

1.	Preamble	1
2.	Guidelines on Corporate Governance	1

STRICTLY PRIVATE AND CONFIDENTIAL

Copyright © 2025 Nomura

This document is the sole property of Nomura. No part of this document may be reproduced in any form or by any means – electronic, mechanical, photocopying, recording or otherwise – without the prior written permission of Nomura.

This code is issued pursuant to Nomura Capital (India) Private Limited's registration with Reserve Bank India ('RBI') as Non-Banking Finance Company (the "Company" or "NBFC") and in order to comply with the RBI Master Directions and other guidelines issued from time to time.

1. Preamble

Corporate Governance is the key to protecting the interests of the stake-holders in the corporate sector and has universal applicability. In order to enable NBFCs to adopt best practices and greater transparency in their operations Reserve Bank of India has from time to time proposed various guidelines for corporate governance for consideration by NBFCs. This policy will come into force immediately on adoption by the Board.

2. Guidelines on Corporate Governance

2.1 Constitution of Audit Committee

RBI in its Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 has prescribed that all NBFC's are required to constitute an Audit Committee, consisting of not less than three members of its Board of Directors. Accordingly the Company has constituted an Audit Committee in accordance with the requirements.

2.2 Appointment of statutory auditors audit firm

The Company shall comply with Reserve Bank of India guidance to NBFCs for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021, as amended from time to time

The Company shall appoint the SAs for a continuous period of three years, subject to the firms satisfying the eligibility norms each year.

The Company has formed Board approved Policy for appointment of Statutory Auditors.

2.3 Constitution of Nomination & Remuneration Committee

Reserve Bank of India vide its Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023 has guided that all middle layer NBFC's to form a Nomination & Remuneration Committee.

The importance of appointment of directors with 'fit and proper' credentials is well recognised in the financial sector. In terms of Section 45-IA(4)(c) of the RBI Act, 1934, while considering the application for grant of Certificate of Registration to undertake the business of non-banking financial institution it is necessary to ensure that the general character of the management or the proposed management of the non-banking financial company shall not be prejudicial to the interest of its present and future depositors. Reserve Bank of India has guided that all NBFCs to form a Nomination Committee to ensure 'fit and proper' status of proposed / existing directors.

Accordingly, the Company has constituted a Nomination & Remuneration Committee. The Nomination & Remuneration committee will function under the directions of the Board. It will be convened atleast once in a financial year and on a need basis and voting is on a consensus basis, with quorum at one third of the members. Primary responsibility of the Nomination & Remuneration

committee is to ensure that the Company adheres to the policy prescribed by the RBI from time to time for ascertaining the fit and proper criteria at the time of appointment of Directors and on a continuing basis. The Board can also ask the Nomination & Remuneration Committee to look into any other related activity. Any change to the existing members of the Nomination & Remuneration Committee will have to be approved by the Board. It is here by clarified that from the date of this policy coming into force, the nomination of an employee, belonging to the Nomura group, to the Board of NC IPL will require approval from the Nomination & Remuneration committee.

2.4 Fit and Proper Criteria

The Company has put in place a Nomination policy with the approval of the Board of Directors for ascertaining the fit and proper criteria of the directors at the time of appointment, and on a continuing basis. The Nomination policy is based on the guidelines contained in RBI directions;

Further, the Company shall:

- i. obtain a declaration and undertaking from the directors giving additional information on the directors. The declaration and undertaking shall be on the lines of the format prescribed by RBI from time to time;
- ii. obtain a Deed of Covenant signed by the directors, which shall be in the format prescribed by RBI from time to time;
- iii. furnish to the Bank a quarterly statement on change of directors, and a certificate from the Managing Director of the NBFC 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 NBFC for the quarter ending March 31, shall be certified by the auditors.

2.5 Constitution of Risk Management Committee

The market risk for NBFCs is required to be addressed by the Asset Liability Management Committee (ALCO) constituted to monitor the asset liability gap and strategize action to mitigate the risk associated. To manage the integrated risk, the Board constituted the Risk Management & Investment Committee in addition to the ALCO.

Further, If the asset size of the Company exceeds Rs. 50 billion, the Company would also be required to comply with instructions under RBI circular no. RBI/2018-19/184 DNBR (PD) CC. No.099/03.10.001/2018-19 circular dated May 16, 2019 regarding appointment of CRO and other obligations as mentioned in the said circular.

2.6 Disclosure and transparency

The following information shall be placed before the Board of Directors of the Company on an annual basis

- progress made in putting in place a progressive risk management system, and risk management policy and strategy followed
- conformity with corporate governance standards viz. in composition of various committees, their role and functions, periodicity of the meetings and compliance with coverage and review functions, etc.

Effective March 31, 2015, the following information, if applicable, shall be disclosed in the Annual Financial Statements of the Company:

- i. registration/ licence/ authorisation, by whatever name called, obtained from other financial sector regulators;
- ii. ratings assigned by credit rating agencies and migration of ratings during the year;
- iii. penalties, if any, levied by any regulator;
- iv. information namely, area, country of operation and joint venture partners with regard to Joint ventures and overseas subsidiaries and
- v. Asset-Liability profile, extent of financing of parent company products, NPAs and movement of NPAs, details of all off-balance sheet exposures, structured products issued by them as also securitization/ assignment transactions and other disclosures, as be required from time to time.

The Code of Corporate Governance will be put up on the web-site of the Company, when available, for the information of various stakeholders.

2.7 Framework for reporting of exit of Senior Management Personnel (SMP) and/ or Non-Executive Directors (NEDs) and succession plan

The Company shall report to RBI any exit by SMP and/ or an NED by way of resignation/ removal/ early retirement (such as tendering of resignation letter, management decision to terminate the services of any SMP etc.) within two working days of such an occurrence. For applicability of this requirement, SMP shall be those functionaries, who are core management team vested with managerial responsibilities and include Chief Executive Officer, Chief Financial Officer, Whole Time Directors (WTD) and those reporting to the Committee of the Board/ Board, including those who are heads of Control, Assurance and Vigilance function (e.g. Risk, Internal Audit, Compliance). NED would mean Director other than a WTD, including Part-time Chairman, as and where applicable.

Furthermore, the concerned function in consultation with Head of HR to ensure implementation of a non-disruptive and seamless succession plan in these cases within a period of three months from such occurrence.

Version History

Versions

Version	Release date	Description
1.0	Dec 2013	Update Policy
1.1	Mar 2014	Annual Review
2.0	Mar 2015	Update Policy
3.0	May 2016	Update Policy
4.0	Dec 2017	Annual Review
5.0	Mar 2018	Update Policy
6.0	Mar 2019	Annual Review
7.0	Mar 2020	Annual Review
8.0	Mar 2021	Annual Review
9.0	Mar 2022	Annual Review
10.0	May 2023	Annual Review
11.0	April 2024	Update Policy
12.0	Dec 2024	Annual Review

Author and Approval

Version	Release date	Name	Role
1.0	Dec 2013	India Compliance	Author
1.1	Mar 2014	India Compliance	Author
2.0	Mar 2015	India Compliance	Author
3.0	May 2016	India Compliance	Author
4.0	Dec 2017	Pratiksha Tondwalkar/ Swarupanand Mantri	Author
		Jyoti Tandon	Reviewer
5.0	Mar 2018	Pratiksha Tondwalkar/ Swarupanand Mantri	Author
		Jyoti Tandon	Reviewer
6.0	Mar 2019	Pratiksha Tondwalkar/ Swarupanand Mantri	Author
		Jyoti Tandon	Reviewer
7.0	Mar 2020	Pratiksha Tondwalkar, Atul Agrawal/ Swarupanand Mantri	Author
		Leon D'souza	Reviewer

Version	Release date	Name	Role
8.0	Mar 2021	Pratiksha Tondwalkar, Atul Agrawal/ Swarupanand Mantri	Author
		Veena Gadia	Reviewer
9.0	Mar 2022	Atul Agrawal/ Swarupanand Mantri	Reviewer
		Veena Gadia	Approver
10.0	May 2023	Prashant Pangam/ Pratiksha Tondwalkar/ Swarupanand Mantri	Reviewer
		Ravi Sureka	Approver
11.0	April 2024	Prashant Pangam	Reviewer
		Ravi Sureka	Approver
11.0	Dec 2024	Prashant Pangam	Reviewer
		Ravi Sureka	Approver