CORPORATE GOVERNANCE POLICY

1. INTRODUCTION

Adventz Securities Enterprises Limited (the "Company") is a Non-Banking Financial Company – Investment and Credit Company (NBFC-ICC), registered with the Reserve Bank of India ("RBI"). Pursuant to the classification of the Company's parent as a Middle Layer NBFC under the Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025, the Company also stands classified as a Middle Layer NBFC ("NBFC-ML").

This Policy has been prepared in line with the Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025 (RBI/DOR/2025-26/344 dated November 28, 2025) ("the Governance Directions"), which apply to the Company as an NBFC-ML through Chapters II, III and IV thereof, and which have repealed and replaced all earlier RBI governance guidelines for NBFCs.

The Company believes that good governance builds trust with its shareholders, lenders, and other stakeholders. This Policy explains, in simple terms, how the Company is governed - its Board, its committees, and the checks it follows - so that it remains compliant while keeping its processes proportionate to its size and the nature of its business.

As the Company's securities are listed on the Metropolitan Stock Exchange of India Limited (MSEI) and the Calcutta Stock Exchange Limited (CSE), the Company's governance practices are also aligned, to the extent applicable to it, with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR").

2. CORPORATE GOVERNANCE STRUCTURE

A. Regulators

The Company, being incorporated under the Companies Act, 2013 and registered with RBI as an NBFC, is primarily regulated by the Ministry of Corporate Affairs (MCA) and the RBI. As the Company's securities are listed on MSEI and CSE, the Company is also subject to the regulations of the Securities and Exchange Board of India (SEBI) and the said stock exchanges, to the extent applicable to the Company given the nature and value of its listed securities.

B. Board of Directors

The Board of Directors ("Board") is responsible for acting in what it reasonably believes to be in the best interests of the Company and its shareholders. The Board shall provide direction to the Company and shall supervise and review its performance and affairs, including business strategy, financial soundness, key personnel decisions, internal organisation, risk management, and compliance.

The Board shall ensure that the Company's organisational structure allows the Board and management to carry out their responsibilities effectively. The Board shall also ensure that transactions with related parties are properly reviewed and approved as required under applicable law, and that the Company's resources are not misused.

The Company shall hold at least four Board meetings in each calendar year, with a gap of not more than one hundred and twenty days between two consecutive meetings.

i. Size and Composition of the Board

The Board shall have a proper mix of Executive, Non-Executive, and Independent Directors as required under the Companies Act, 2013, other applicable laws, and the Company's Articles of Association. As on date, the Board of the Company comprises of 5 Directors, including 2 Independent Director(s), in accordance with these requirements.

As required under the Governance Directions, at least one Director of the Company shall have relevant experience of having worked in a bank or an NBFC.

ii. Duties of Directors

In accordance with Section 166 of the Companies Act, 2013, every Director of the Company shall:

1. Act in good faith to promote the objects of the Company, for the benefit of its members, employees, shareholders, and the community, and for protection of the environment.
2. Exercise duties with reasonable care, skill, and diligence, and exercise independent judgment.
3. Avoid any situation involving a direct or indirect conflict of interest with the Company.
4. Not seek or accept any undue gain or advantage; if found guilty of doing so, the Director shall be liable to pay the Company an amount equal to that gain.
5. Not assign his or her office to any other person; any such assignment shall be void.

iii. Minimum Information to be Placed Before the Board

The following information shall be placed before the Board, as applicable to the Company:

6. Quarterly / annual financial results of the Company.
7. Minutes of meetings of the Audit Committee and other Board Committees.
8. Information on recruitment and remuneration of Key Managerial Personnel.
9. Any material default in financial obligations to or by the Company.
10. Details of any joint venture or collaboration agreement, if any.
11. Any non-compliance with regulatory, statutory, or listing requirements.
12. Status of conformity with corporate governance norms, including composition and functioning of Board Committees.

C. Committees of the Board

To ensure focused oversight, the Board has constituted the following Committees, each operating under its own charter / terms of reference approved by the Board:

i. Audit Committee

The Company has constituted an Audit Committee in accordance with Section 177 of the Companies Act, 2013 and the Governance Directions, comprising not less than three Directors. The Audit Committee shall have the powers and duties prescribed under Section 177 of the Companies Act, 2013, and shall also ensure that an Information System Audit of the Company's internal systems is conducted, as required under applicable RBI directions on outsourcing risk.

The Audit Committee shall meet at least four times in a financial year, with a gap of not more than one hundred and twenty days between two consecutive meetings.

ii. Nomination and Remuneration Committee (NRC)

The Company has constituted a Nomination and Remuneration Committee in compliance with Section 178 of the Companies Act, 2013. The NRC shall have the powers and duties prescribed under Section 178, and shall also oversee the Company's policy for ascertaining the 'fit and proper' status of Directors and the Company's compensation policy for Key Managerial Personnel and Senior Management, as described in Sections D and E below.

The NRC shall meet as and when required but at least once in every year.

iii. Risk Management Committee (RMC)

The Company has constituted a Risk Management Committee, as required under the Governance Directions applicable to all NBFCs. The RMC is responsible for evaluating the overall risks faced by the Company, including liquidity risk, interest rate risk, and other risks, and reports to the Board.

iv. Asset Liability Management Committee (ALCO)

In terms of the Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025, the Company has separately constituted an Asset Liability Management Committee (ALCO), responsible for liquidity risk management and adherence to the limits set by the Board. The constitution, role, and functioning of the ALCO are set out in the Company's Asset Liability Management Policy, as approved by the Board.

v. Corporate Social Responsibility (CSR) Committee

Under Section 135 of the Companies Act, 2013, a company is required to constitute a CSR Committee only if, in the immediately preceding financial year, its net worth is ₹500 crore or more, or its turnover is ₹1,000 crore or more, or its net profit is ₹5 crore or more. Based on the Company's audited financial statements for the year ended 31st March, 2026 (net worth of approximately ₹106.98 crore, total income of approximately ₹6.59 crore, and net profit of approximately ₹2.39 crore), none of these thresholds are currently met, and the Company is presently not required to constitute a CSR Committee. This position shall be reviewed each year based on the Company's audited financials, and a CSR Committee shall be constituted promptly if any threshold is met in future.

3. Chief Compliance Officer and Key Managerial Personnel

In line with the Governance Directions, the Company shall appoint a Chief Compliance Officer (CCO), who shall be sufficiently senior within the Company, to promote a strong compliance culture. Given the size and nature of the Company's operations, the Board may designate an existing senior officer of the Company as CCO, provided this does not result in any conflict with that officer's other responsibilities. The Board shall approve a policy setting out the CCO's role and responsibilities.

As the Company's asset size is well below ₹5,000 crore, the requirement to appoint a dedicated Chief Risk Officer under the Governance Directions does not presently apply to the Company. This position shall be revisited if the Company's asset size approaches the threshold.

Except for directorship in a subsidiary, no Key Managerial Personnel of the Company shall hold any office (including directorship) in any other Middle Layer or Upper Layer NBFC. Similarly, an Independent Director of the Company shall not be on the Board of more than three Middle Layer / Upper Layer NBFCs at the same time. The Board shall ensure there is no conflict of interest arising from any Director's position on the board of another NBFC.

4. FIT AND PROPER CRITERIA FOR DIRECTORS

The Company shall have a Board-approved policy for ascertaining the 'fit and proper' status of its Directors, both at the time of appointment and on a continuing basis, considering their qualifications, expertise, track record, integrity, and other relevant criteria. The NRC shall scrutinise the declarations obtained from Directors in this regard.

Directors shall furnish an annual declaration, as on 31st March each year, confirming that the information earlier provided remains unchanged, or disclosing any change. Directors shall also execute a Deed of Covenants in the format prescribed by RBI.

The Company shall furnish a quarterly statement to RBI regarding any change in Directors, along with a certificate from its Manager confirming that the 'fit and proper' criteria has been followed, in accordance with the timelines prescribed under the Governance Directions.

5. COMPENSATION POLICY FOR KMP AND SENIOR MANAGEMENT

The Company shall have a Board-approved Compensation Policy for its Key Managerial Personnel and Senior Management, to guard against any excessive pay sometimes. The policy shall set out the principles for fixed and variable pay. The NRC shall oversee the design, review, and implementation of this policy.

6. CODE OF CONDUCT

The Company shall adopt a Code of Conduct, approved by the Board, which shall be binding on all Directors and employees of the Company. All Directors and employees shall confirm their compliance with the Code of Conduct on an annual basis.

7. WHISTLE BLOWER MECHANISM

The Company has put in place a whistle blower mechanism for its Directors and employees to report, in good faith, any genuine concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's Code of Conduct or other policies. The mechanism provides adequate safeguards against victimisation of persons using it, and provides for direct access to the Chairman of the Audit Committee in exceptional cases. The Audit Committee shall be updated periodically on any whistle blower complaints and the outcome of investigations conducted.

8. STATUTORY AUDITORS

The Statutory Auditors of the Company shall be appointed in accordance with the Companies Act, 2013 and applicable RBI guidelines on appointment of statutory auditors for NBFCs. The Auditors shall furnish an annual declaration confirming their eligibility for appointment, and the Audit Committee shall periodically review their independence, performance, and the effectiveness of the audit process.

Subject to the Companies Act, 2013, the Auditors shall be appointed with shareholder approval at the Annual General Meeting, based on the recommendation of the Audit Committee and the Board, for a term of maximum to three years.

9. INTERNAL GUIDELINES AND REVIEW OF POLICY

The Board may frame more detailed internal guidelines on corporate governance from time to time, which shall enhance but not dilute the requirements of this Policy, and shall publish the same on the Company's website, if any, for the information of stakeholders.

This Policy shall be reviewed by the Board of Directors periodically, and in any event whenever there is a material change in RBI, SEBI, or Companies Act requirements, or in the Company's size, complexity, or business.

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