

AQUILA FINANCE LIMITED

CORPORATE GOVERNANCE POLICY

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History of the Document	Adopted by	Date of Adoption/Review
Originally Adopted	Board of Directors	10-06-2023
Review	Board of Directors	01-04-2025
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1.0 FOUNDATIONS OF GOVERNANCE

Aquila Finance Limited ("the Company") is committed to operating under a robust framework of corporate governance that underscores transparency, accountability, and ethical conduct. This policy formalizes the structures and processes through which the Company is directed and controlled, ensuring it not only meets but exceeds its legal and regulatory obligations, thereby safeguarding the interests of all stakeholders.

2.0 THE BOARD OF DIRECTORS

2.1 Composition and Leadership

The Company's strategic direction and oversight are vested with Board of Directors. The Board is composed of individuals with diverse expertise in finance, law, strategy, and business operations, ensuring effective and informed leadership.

2.2 Key Responsibilities

The Board of Directors bears the ultimate responsibility for the Company's governance and performance. Its principal duties include:

- Providing strategic guidance and approving long-term business plans and annual budgets.
- Ensuring the integrity of the Company's financial reporting and internal control systems.
- Overseeing the establishment and implementation of a comprehensive risk management framework.
- Monitoring compliance with all applicable laws, regulations, and internal policies.
- Appointing, monitoring, and evaluating the performance of the Chief Executive Officer and senior management.

- Constituting Board Committees and reviewing their reports and recommendations

2.3 Board Meetings

- A minimum of four formal Board Meetings shall be convened each financial year.
- The maximum interval between any two meetings shall not exceed one hundred and twenty days.
- The agenda and supporting documents shall be circulated to all directors in advance to facilitate informed discussion.

3.0 THE ADVISORY BOARD

3.1 Role and Expertise

To augment the Board's strategic depth with specialized industry knowledge, the Company has established an Advisory Board comprising four distinguished professionals with extensive experience in the banking and financial services sector. This body provides critical external insights and seasoned counsel.

3.2 Functions and Reporting

The Advisory Board operates in a purely advisory capacity. Its functions include:

- Conducting a monthly review of operational activities, including credit underwriting, portfolio quality, collections, and treasury management.
- Providing expert advice on market trends, risk management, and strategic initiatives.
- The key findings and recommendations from the Advisory Board are formally documented and presented to the statutory Board of Directors for its consideration.

Note: The Advisory Board is a non-fiduciary body. The legal and fiduciary responsibilities remain solely with the statutory Board of Directors.

4.0 BOARD COMMITTEES

To ensure focused and expert oversight on critical areas, the Board has constituted the following committees. These committees combine the authority of Board members with the operational expertise of senior management.

4.1 Audit & Compliance Committee

- Composition: Chaired by a Board Director, with other Board members and the Head of Finance and Head of Internal Audit as permanent invitees.

- Key Responsibilities:
 - Oversight of the financial reporting process and the integrity of financial statements.
 - Monitoring the statutory and internal audit processes.
 - Reviewing the adequacy and effectiveness of internal controls and compliance systems.
 - Approving related party transactions.

4.2 Integrated Risk Management Committee

- Composition: Chaired by a Board Director, and includes the Chief Risk Officer and Head of Credit as members.
- Key Responsibilities:
 - Formulating and monitoring the enterprise-wide Risk Management Policy.
 - Reviewing credit, market, operational, and strategic risks.
 - Overseeing the Company's fraud prevention and detection framework.

4.3 Asset Liability Management (ALM) & Treasury Committee

- Composition: Chaired by a Board Director, with the Head of Finance and Head of Treasury as core members.
- Key Responsibilities:
 - Monitoring and managing the Company's structural liquidity and interest rate risk.
 - Reviewing capital adequacy and funding strategy.
 - Ensuring compliance with the internal ALM policy.

4.4 Stakeholder Grievance Redressal Committee

- Composition: Chaired by a Board Director, and includes the Head of Customer Service/Operations and the Compliance Officer as members.
- Key Responsibilities:
 - Supervising the effectiveness of the customer grievance redressal mechanism.
 - Analyzing complaint data to identify and resolve systemic issues.

5.0 FIT AND PROPER STANDARDS

The Company shall ensure that all Directors meet a high standard of 'fit and proper' criteria, assessed based on their qualifications, expertise, track record, integrity, and soundness of judgment. This assessment is an integral part of the appointment and re-appointment process.

6.0 TRANSPARENCY AND DISCLOSURE

The Company is committed to accurate, clear, and timely communication. All material information will be disclosed to regulators and stakeholders as required by law. The Company's financial statements and reports will present a true and fair view of its state of affairs.

7.0 CODE OF CONDUCT AND ETHICS

The Board has adopted a Code of Conduct applicable to all Directors and employees, which sets forth the principles of integrity, ethical behavior, and responsibility that underpin all business activities.

BY THE ORDER OF THE BOARD OF DIRECTORS

For AQUILAN FINANCE LTD.

