

FIT AND PROPER CRITERIA

of

ZOHO FINANCE PRIVATE LIMITED



A. BACKGROUND, SCOPE AND APPLICATION

1. ZFPL (“**Company**”), being an ICC, has put in place the Policy to apply in respect of the appointment of directors on the Board of Directors of the Company (“**Board**”) as well as the continuation of the appointment of the directors on the Board.

B. PURPOSE

1. The objective of the Policy is to set out the ‘fit and proper’ criteria based on which new directors proposed to be appointed and existing directors whose appointment is intended to be continued can be evaluated.
2. The Company believes that this Policy will aid the Company’s constant endeavor to ensure that only individuals of high caliber and who possess the right blend of qualifications, expertise, track record and integrity are appointed to the Board.

C. EVALUATION OF ‘FIT AND PROPER’ CRITERIA

1. Before appointing any person as a director on the Board or continuing the appointment of any such director, the management committee shall undertake adequate due diligence in respect of such individuals to ascertain suitability based on the qualification, expertise, track record, and integrity of such individual and also such other factors in respect of which information is obtained by the Company.
2. The Company shall prior to the appointment of any person as a director on the Board, obtain necessary information as required for the appointment of the person as Director of the Company.
3. The Management Committee shall scrutinize the information received. The management committee shall after considering the result of its due diligence and the information provided by the person being appointed as the director or the information received from the existing directors as per the Companies Act, 2013 Director, recommend to the Board, the acceptance or otherwise of the prospective new directors or existing directors whose appointment is to be continued or renewed, as the case may be.
4. Without limiting the generality of the foregoing paragraphs, no person will be considered for appointment as a director if such person is disqualified to act as director under applicable law.
5. To conclude that a person is ‘fit and proper’ to be appointed as a director on the Board or to continue in that capacity (as the case may be), the Board must be able to form a view that it would be prudent to conclude, based on recommendations of the manner, that:

- (a) the person possesses the qualifications, competence, technical expertise, track record, integrity and judgement to perform properly the duties of a director on the Board;
- (b) the person possesses the educational or technical qualifications, knowledge and skills relevant to the duties and responsibilities of a director on the Board;
- (c) the person either:
 - has no conflict of interest in performing such person's duties as a director on the Board; or
 - if the person has a conflict of interest, it would be prudent to conclude that the conflict will not create a material risk that the person will fail to perform such person's duties properly and adequate disclosures are made by the person in this regard.

Policy Review

The Board shall review the Fit and Proper Criteria on such intervals as may be decided by the Board or in case of any regulatory changes necessitating such interim reviews.

This policy was approved by the Board of Directors at its meeting held on 14th December 2023.