

GOLDMAN SACHS (INDIA) CAPITAL MARKETS PRIVATE LIMITED POLICY ON APPOINTMENT OF STATUTORY AUDITORS

Applicability: All Goldman Sachs (India) Capital Markets Private Limited

A. INTRODUCTION

Pursuant to RBI circular No. DoS.CO. ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 (“**RBI circular**”) as amended from time to time, the Board of Directors of Goldman Sachs (India) Capital Markets Private Limited (“Company”) is required to put in place a policy in relation to the appointment of statutory auditors. This policy relates to the procedures to be formulated as required under the RBI circular for appointment of statutory auditors by the Company.

B. OBJECTIVES & SCOPE

This policy lays down the approach and direction for the process to be followed for appointment of statutory auditors pursuant to the RBI circular. The Board of Directors of the Company (“Board”) shall be responsible for implementing this policy.

The scope of the policy is to decide on the number of statutory auditors to be appointed by the Company, criteria and procedure of such appointment. The Company shall comply with the RBI circular and applicable provisions of the Companies Act, 2013.

C. NUMBER OF STATUTORY AUDITORS TO BE APPOINTED

Pursuant to the provisions of the RBI circular, taking into consideration the factors set out in Clause 4 of the RBI Circular, the Company shall follow the below guidelines for appointment of Statutory Auditor (“SA”), as amended from time to time –

For Entities with asset size of INR 15,000 crore and above as at the end of previous year, the statutory audit should be conducted under joint audit of a minimum of two audit firms [Partnership firms/Limited Liability Partnerships (LLPs)]. All other Entities should appoint a minimum of one audit firm (Partnership firm/LLPs) for conducting statutory audit. It shall be ensured that joint auditors of the Entity do not have any common partners and they are not under the same network of audit firms. Further, the Entity may finalise the work allocation among SAs, before the commencement of the statutory audit, in consultation with their SAs.

D. TENURE AND ROTATION OF SA

In order to protect the independence of audit firms, the Company shall appoint the SA for a continuous period of 3 years, subject to the SA satisfying the eligibility norms each year.

If the SA is removed before completion of 3 years of tenure, the Company shall inform the concerned Regional Officer at RBI about the same, along with the reasons / justification within

GOLDMAN SACHS (INDIA) CAPITAL MARKETS PRIVATE LIMITED POLICY ON APPOINTMENT OF STATUTORY AUDITORS

a month of such decision being taken. An audit firm cannot be reappointed for six years after the completion of full or part of one term of the audit tenure.

E. CRITERIA FOR APPOINTMENT OF SA AND INDEPENDENCE

Audit firms have to fulfil certain eligibility norms specified in Annex 1 of the RBI Circular with respect to minimum number of full-time partners, their experience, qualification and the number of professional staff based on asset size of the company in order to be eligible to be appointed as SAs. The Company shall appoint SAs meeting such eligibility criteria and those under the Companies Act, 2013.

Concurrent auditors of the Company shall not be considered for appointment as SA of the Company.

The Audit Committee shall monitor and assess the independence of the SA and conflict of interest position in terms of relevant regulatory provisions, standards and best practices. Any concerns in this regard may be reported to the Board of Directors of the Company and the concerned Senior Supervisory Manager at the Regional office of the RBI.

F. PROCESS OF APPOINTMENT

The process of appointment is as provided under the RBI circular and includes the following steps:

- Minimum of two audit firms to be shortlisted for a vacancy.
- Eligibility certificate as prescribed under the RBI circular to be obtained from each audit firm proposed to be appointed as SA in order to confirm that they comply with all the eligibility norms prescribed.
- Consent and eligibility under the Companies Act, 2013 to be obtained.
- The Audit Committee of the Board to recommend appointment of SA to the Board.
- The Board to approve the appointment for a continuous period of 3 years' subject to the audit firm satisfying eligibility norms each year except in case of appointment in a casual vacancy caused by resignation of an auditor, wherein such appointment shall also be approved by the Company at a general meeting convened within three months of the recommendation of the Board and the SA shall hold the office till the conclusion of the next annual general meeting;
- The appointment by the Board is subject to approval of the shareholders pursuant to applicable provisions of the Companies Act, 2013.
- The Company has to inform RBI about the appointment of the SA for each year by way of a certificate in Form A prescribed under the RBI Circular.

GOLDMAN SACHS (INDIA) CAPITAL MARKETS PRIVATE LIMITED POLICY ON APPOINTMENT OF STATUTORY AUDITORS

G. AUDIT FEE AND EXPENSES

The Audit fee shall be reasonable and commensurate with the scope and coverage of audit, asset size of the Company and other relevant factors as may be determined by the Audit Committee and Board and subject to approval of members of the Company.

H. POLICY REVIEW & FUTURE AMENDMENT

The Board may subject to compliance with the RBI circular, at any time review, amend or modify this policy as it deems fit.

REVISION HISTORY

1. Version 1.1, September 26, 2023 (Other; to incorporate new regulatory requirement)
2. Version 1.0, September 28, 2021 (Initial Publication)