A SEBI Registered Category-1 Merchant Banking Company

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SEBI Regn No. MB/INM000008571

MANDATE ACCEPTANCE AND FEE CRITERIA POLICY

Sobhagya Capital Options Private Limited

Version: 1.0
Effective Date: 21.08.2026
Approved By: Board of Directors
Review Frequency: Annually or as required by applicable laws and regulations

I. PURPOSE

The purpose of this Policy is to establish a structured framework for acceptance of merchant banking mandates by Sobhagya Capital Options Private Limited **("Company")** and determination of professional fees for such assignments.

The Policy aims to ensure that mandates are accepted only after appropriate due diligence, conflict-of-interest assessment, regulatory review and evaluation of the Company's ability to execute the assignment effectively.

The Policy also establishes transparent and consistent criteria for determining fees payable by clients.

II. SCOPE

This Policy shall apply to all merchant banking and related assignments accepted by the Company, including, as applicable:

- Initial Public Offerings (IPOs);
- Further Public Offerings (FPOs);
- Rights Issues;
- Open Offers;
- Buy-backs;
- Delisting assignments;
- Preferential Issues;
- Qualified Institutional Placements;
- Takeover-related assignments; and
- other assignments undertaken in the capacity of a Merchant Banker or financial intermediary.

The Policy shall apply to all departments and personnel involved in evaluation, acceptance, execution and monitoring of mandates.

III. REGULATORY COMPLIANCE

The Company shall accept and execute mandates in accordance with applicable laws, regulations, circulars and guidelines issued by:

- Securities and Exchange Board of India (SEBI);
- stock exchanges;
- Ministry of Corporate Affairs;
- applicable statutory authorities; and
- other competent regulatory authorities.

  The Company shall ensure that it maintains the requisite registration, eligibility, personnel, infrastructure and resources necessary for undertaking the relevant assignment.

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IV. PRINCIPLES FOR MANDATE ACCEPTANCE

The Company shall consider the following principles before accepting a mandate:

1. Regulatory eligibility
2. Client background and reputation
3. Promoter and management background
4. Financial position of the client
5. Nature and complexity of the proposed assignment
6. Potential legal and regulatory risks
7. Conflict of interest
8. Availability of adequate resources and expertise
9. Ability to perform appropriate due diligence
10. Commercial viability of the assignment
11. Reputational risk to the Company
12. Expected timelines and workload

No mandate shall be accepted where the Company reasonably believes that the assignment cannot be undertaken in compliance with applicable laws or professional standards.

V. CLIENT DUE DILIGENCE

Before accepting a mandate, the Company shall undertake appropriate due diligence on the prospective client.

The due diligence may include:

- KYC verification;
- corporate records;
- ownership and shareholding structure;
- promoter and director background;
- financial statements;
- statutory and regulatory compliance;
- material litigation;
- regulatory actions or proceedings;
- credit and financial standing;
- business activities;
- past capital market transactions;
- reputation and integrity checks; and
- any other information considered relevant.

The extent of due diligence shall depend upon the nature and risk profile of the assignment.

VI. CONFLICT OF INTEREST

Before accepting a mandate, the Company shall identify and assess any actual, potential or perceived conflict of interest.

The Company shall consider, among other matters:

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- existing mandates;
- relationships with the client or its promoters;
- relationships with other parties involved in the transaction;
- competing or conflicting assignments;
- personal interests of employees/directors; and
- any other circumstances that may compromise the Company's independence.

Where a conflict exists, the Company shall determine whether adequate safeguards can be implemented. Where the conflict cannot be appropriately managed, the mandate shall not be accepted.

VII. CAPACITY AND RESOURCE ASSESSMENT

Before accepting a mandate, the Company shall assess whether it has adequate:

- qualified personnel;
- experience;
- time and resources;
- technical expertise;
- compliance support;
- due diligence capabilities; and
- infrastructure

to execute the assignment effectively.

The Company shall not accept mandates beyond its available capacity where such acceptance may adversely affect the quality or timeliness of services.

VIII. MANDATE APPROVAL

The prospective mandate shall be evaluated internally before acceptance. The evaluation shall consider:

- client profile;
- proposed transaction;
- regulatory requirements;
- due diligence findings;
- conflict-of-interest assessment;
- estimated resources;
- expected timelines;
- risk assessment; and
- proposed fee.

The mandate shall be accepted only after approval by the authorized person(s) in accordance with the Company's internal authority structure.

For material or high-risk assignments, the matter may be placed before the Board of Directors or such committee/person as may be authorized by the Board.

IX. ENGAGEMENT / MANDATE LETTER

Every accepted mandate shall, wherever appropriate, be documented through a written engagement or mandate letter.

The engagement letter should specify, as applicable:

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- nature and scope of services;
- responsibilities of the Company;
- responsibilities of the client;
- transaction structure;
- expected timelines;
- professional fees;
- applicable taxes;
- reimbursement of expenses;
- payment milestones;
- confidentiality obligations;
- termination provisions;
- regulatory requirements; and
- other relevant commercial and legal terms.

X. FEE DETERMINATION CRITERIA

The professional fee for each mandate shall be determined on a reasonable and commercially appropriate basis. The following factors may be considered:

1. Nature of Assignment

Fees may vary depending upon whether the assignment relates to:

- IPO;
- FPO;
- Rights Issue;
- Open Offer;
- Buy-back;
- Delisting;
- Takeover;
- Preferential Issue;
- QIP; or
- other merchant banking activities.

2. Size of Transaction

The expected size and complexity of the transaction may be considered while determining the fee.

3. Complexity

The Company may consider:

- complexity of the transaction;
- number of stakeholders;
- corporate structure;
- regulatory requirements;
- level of due diligence;
- financial and legal complexities; and
- expected transaction issues.

4. Time and Resources

The estimated manpower, professional time, management involvement and other resources required shall be considered.

5. Due Diligence Requirements

Assignments involving extensive financial, legal, operational, regulatory or business due diligence may require higher professional fees based on the additional resources involved.

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6. Transaction Timeline

Urgent assignments or assignments requiring accelerated execution may involve additional resource requirements and may accordingly be considered while determining fees.

7. Market Conditions

Relevant market conditions and prevailing commercial practices may be considered while determining the fee.

8. Additional Services

Any services outside the originally agreed scope may be charged separately, subject to prior agreement with the client.

XI. FEE STRUCTURE

Depending upon the nature of the mandate, fees may comprise:

- fixed professional fees;
- milestone-based fees;
- retainer fees, where appropriate;
- success-based fees, where legally and contractually permissible; and
- reimbursement of agreed out-of-pocket expenses.

The fee structure shall be clearly documented in the engagement letter.

XII. EXPENSES

The client may be required to reimburse reasonable expenses incurred in connection with the assignment, including, where applicable:

- statutory fees;
- stock exchange fees;
- professional fees of external consultants;
- travel expenses;
- printing and publication expenses;
- legal and audit expenses;
- due diligence expenses; and
- other transaction-related expenses.

Such expenses shall be appropriately documented.

XIII. CHANGE IN SCOPE

Where the scope of work materially changes after acceptance of the mandate, the Company may revise the professional fee.

Any revised fee or additional charge shall be communicated to and agreed with the client before undertaking the additional work, wherever practicable.

XIV. PAYMENT TERMS

The engagement letter shall specify applicable payment terms and milestones.
The Company shall monitor outstanding fees and may take appropriate action where payments remain overdue.
Any decision to continue work despite significant overdue amounts shall be appropriately authorized.

XV. REJECTION OF MANDATE

The Company may reject a mandate where:

- the proposed transaction is inconsistent with applicable law;
- adequate due diligence cannot be completed;
- there is an unmanageable conflict of interest;

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- the client or promoters present unacceptable regulatory or reputational risks;
- required information is not provided;
- the Company does not possess adequate resources or expertise;
- the proposed transaction presents unacceptable risk; or
- any other material concern is identified by the Company.

The Company shall not accept a mandate merely for commercial considerations where regulatory or professional concerns remain unresolved.

XVI. <u>TERMINATION OF MANDATE</u>

A mandate may be terminated in accordance with the terms of the engagement letter. Termination may be considered where:

- the client fails to provide required information;
- material adverse information is discovered;
- the client fails to comply with applicable laws;
- the Company identifies an unmanageable conflict;
- professional fees remain unpaid;
- the transaction is materially altered; or
- continuation of the mandate may expose the Company to unacceptable legal, regulatory or reputational risk.

XVII. <u>RECORD KEEPING</u>

The Company shall maintain appropriate records relating to:

- mandate proposals;
- client due diligence;
- KYC documents;
- conflict-of-interest checks;
- internal approvals;
- engagement letters;
- fee proposals;
- fee approvals;
- invoices;
- payment records;
- changes in scope; and
- termination of mandates.

Records shall be retained for the period prescribed under applicable laws and internal policies.

XVIII. <u>RESPONSIBILITY</u>

The relevant business/transaction team shall be responsible for conducting the initial assessment of the prospective mandate.

The Compliance Officer shall provide regulatory and compliance oversight, including conflict-of-interest assessment wherever required.

The authorized management/Board shall approve mandates in accordance with the Company's internal authority framework.

XIX. <u>CONFIDENTIALITY</u>

All information obtained during the mandate evaluation process shall be treated as confidential.

Employees shall not disclose client information except where disclosure is:

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- required by law;
- required by a regulatory authority;
- necessary for legitimate execution of the mandate; or
- otherwise authorized by the Company.

XX. ETHICAL AND PROFESSIONAL CONDUCT

The Company shall conduct mandate acceptance and fee negotiations in a fair, transparent and professional manner.

Employees shall not:

- provide misleading information to prospective clients;
- make unauthorized commitments;
- conceal material conflicts;
- accept inappropriate benefits or inducements; or
- compromise regulatory or professional standards for obtaining a mandate.

XXI. REVIEW OF POLICY

This Policy shall be reviewed periodically and whenever there is a material change in applicable laws, regulations, business activities or internal procedures.

Any amendment to this Policy shall be approved by the Board of Directors or such authority as may be authorized by the Board.

XXII. BOARD APPROVAL

This Policy has been approved by the Board of Directors of **Sobhagya Capital Options Private Limited** and shall be effective from the date specified above.

For Sobhagya Capital Options Private Limited

SHWETA JAIN

Digitally signed by SHWETA JAIN
Date: 2026.08.26 12:15:33 +05'30'

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Authorized Signatory / Compliance Officer
Date: 21.08.2026

Sobhagya Capital Options Pvt. Ltd.
New Delhi