

1. Context and Background

Kuhoo Finance (the “Company”) is a digital-first NBFC, operating in the **Base Layer** as per the **RBI Scale-Based Regulation (SBR) Framework**. Kuhoo is committed to empowering India’s students by providing seamless education financing solutions.

The increasing reliance on technology to enable digital lending, application processing, customer service, loan management, and collections necessitates the outsourcing of certain IT functions to specialized service providers. This policy outlines the guiding principles, governance structure, and risk management practices for outsourcing IT services while ensuring compliance with **RBI Guidelines on IT Outsourcing for NBFCs**.

2. Objective

The objective of this policy is to:

- Define a framework for outsourcing IT-related services.
 - Ensure compliance with RBI’s regulatory requirements.
 - Manage risks arising from IT outsourcing while protecting data, business continuity, and customer interests.
 - Provide clear roles, responsibilities, and oversight mechanisms for all outsourced IT activities.
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3. Scope and Applicability

This policy applies to:

- All IT outsourcing arrangements undertaken by Kuhoo Finance, including infrastructure, software, data management, cybersecurity, and support functions.
 - Vendors, service providers, and partners engaged to perform IT-related functions on behalf of Kuhoo Finance.
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4. Definition of IT Outsourcing

IT outsourcing refers to the use of external service providers to perform IT-related tasks or functions that Kuhoo Finance would otherwise conduct in-house. This includes:

- IT infrastructure management (servers, cloud computing, networks).
- Application development, maintenance, and support.
- Data storage, management, and analytics.
- Cybersecurity services and monitoring.
- Customer support software and technology platforms.
- IT audit and risk management support.

5. Guiding Principles for IT Outsourcing

1. Board Accountability and Oversight

- The Board of Directors remains accountable for all outsourced IT functions.
- Senior Management will ensure compliance with this policy and oversee IT outsourcing activities.

2. Risk Management

- Comprehensive risk assessments must be conducted prior to engaging any IT service provider.
- Risks will include operational, financial, cyber, and reputational risks.

3. Due Diligence

- Kuhoo Finance will conduct detailed due diligence of service providers, assessing:
 - Technical expertise and operational capacity
 - Financial stability
 - Cybersecurity practices and compliance with data protection laws
 - Historical performance and reputation

4. Contractual Agreements

- A formal agreement will govern all IT outsourcing arrangements and include:
 - Clear scope of work, performance standards, and SLAs
 - Compliance with confidentiality and data protection requirements
 - Cybersecurity obligations and incident reporting
 - Audit rights and dispute resolution mechanisms
 - Provisions for business continuity and exit strategies

5. Data Security and Privacy

- Service providers must comply with applicable data privacy regulations, including the IT Act, 2000.
- Data processed or stored by service providers will remain the property of Kuhoo Finance.

6. Business Continuity Planning

- Vendors will maintain business continuity and disaster recovery plans.
- Kuhoo Finance will incorporate IT outsourcing into its overall Business Continuity Plan (BCP).

7. Monitoring and Performance Review

- IT outsourcing arrangements will be periodically reviewed against SLAs and performance metrics.
- Senior Management will monitor vendor performance and compliance.
- Internal Audit will review outsourced IT functions to ensure adherence to this policy.

6. Roles and Responsibilities

1. Board of Directors

- Approve the IT Outsourcing Policy and review significant outsourcing arrangements.
 - Ensure accountability and control over outsourced IT activities.
 - 2. Senior Management**
 - Oversee the implementation of this policy.
 - Conduct risk assessments, due diligence, and vendor selection.
 - Monitor compliance with SLAs and regulatory requirements.
 - 3. IT and Risk Management Teams**
 - Assess technical capabilities and cybersecurity practices of vendors.
 - Monitor IT risks and ensure adherence to data security protocols.
 - 4. Internal Audit**
 - Independently audit IT outsourcing arrangements and report findings to the Board.
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7. Regulatory Compliance

- Kuhoo Finance will ensure compliance with the following RBI guidelines:
 - Master Direction on **Outsourcing of Financial Services**
 - **IT Governance and Cybersecurity Framework for NBFCs**
 - Scale-Based Regulation (SBR) for NBFCs (Base Layer)
 - Any breaches, significant incidents, or deviations will be reported to the RBI immediately.
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8. Approval and Review

- This policy has been prepared for approval by the Board of Directors.
 - The policy will be reviewed annually or earlier, if required, due to regulatory updates or business changes.
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9. Exception Handling

The policy shall always be updated with extant regulatory provisions. However, in case of conflict between the Policy and regulations, the regulatory provisions shall always supersede the policy.

The updated policy shall be adhered at all the times and exceptions if any to the policy shall be approved by the board of directors after recording a reason in writing