

**GRIHUM HOUSING FINANCE LIMITED  
(Formerly, Poonawalla Housing Finance  
Limited)**

To ensure compliance with legal requirements and set standards for corporate governance so that concerned officers act in accordance with the highest standards of governance while working for and on behalf of the Company.

## **Corporate Governance Policy**

Effective Date: 18.10.2023

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Version No.: 5.0

Approved By: Board of Directors

Policy Owner: Secretarial Department

This document is confidential in nature and supersedes any Policy on Corporate Governance existing in the Company and should be read in conjunction with the most recent policies and procedures documented.

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<b>Base Document/ Governing Guideline</b>	:	Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations)
<b>Initial Document Prepared by</b>	:	Company Secretary
<b>Functional aspects checked by</b>	:	Chief Financial Officer, Chief Compliance Officer and Company Secretary
<b>Legal aspects checked by</b>	:	M/s Vinod Kothari & Co., Chief Compliance Officer and Company Secretary

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## 1. PREAMBLE

Grihum Housing Finance Limited (Formerly, Poonawalla Housing Finance Limited) (hereinafter ‘the Company’) believes that a good corporate governance system is necessary to ensure its long-term success. The Company ensures good governance through the implementation of various effective policies and procedures, which is mandated and reviewed by the Board of Directors or the Committees of the Board in regular intervals.

The objective of this Corporate Governance Policy (‘Policy’) is to ensure compliance with legal requirements and set standards for Corporate Governance so that concerned officers act in accordance with the highest standards of governance while working for and on behalf of the Company and also to elaborate on the provisions of applicable law governing information for shareholders. All those concerned are expected to read and understand these guidelines to uphold these standards in day-to-day activities and comply with all applicable policies and procedures.

The purpose of this Policy is to frame internal guidelines on Corporate Governance. This Policy lays down the detailed procedures for the implementation of the said guidelines in order to comply with the directions issued by the Reserve Bank of India (“RBI”) in this regard.

## 2. CONTEXT AND PURPOSE

This Policy draws reference to the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by RBI vide its Notification No. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated 17 February, 2021 (‘RBI Master Directions’), Framework for Scale Based Regulation for Non-Banking Financial Companies including any amendment, revision in the directions made thereunder and issuance of any guidelines, notification, circular by the RBI in this regard from time to time, Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per the RBI Master Directions, every non-public deposit accepting Housing Finance Companies (HFCs) with assets size of Rs. 50 crores and above, as per the last audited balance sheet, and all public deposit accepting / holding HFCs shall frame internal guidelines on corporate governance with the approval of the Board of Directors, enhancing the scope of the guidelines without sacrificing the spirit underlying the RBI Master Directions. Further, such Policy shall be published on the company's website, if any, for the information of various stakeholders. Grihum being a non-public deposit accepting HFC, is accordingly covered by the RBI Master Directions.

This Policy is to be read in conjunction with applicable laws; accordingly, this Policy enhances the provisions of applicable laws.

## 3. DEFINITIONS

In this Policy, unless the context otherwise requires:

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- a) **“Applicable Laws”** means the Companies Act, 2013 and the rules made thereunder, Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by RBI vide Notification No. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated 17 February, 2021 and shall include any amendment thereto, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended (SEBI Listing Regulations) to the extent applicable, applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) from time to time and includes any other statute, law, standards, regulations or other governmental instruction relating to Corporate Governance Direction;
- b) **“Audit Committee”** means the Audit Committee constituted as per the Applicable Laws;
- c) **“Asset Liability Management Committee”** means the Asset Liability Management Committee constituted as per the Applicable Laws;
- d) **“Board of Directors”** or **“Board”** means the collective body of the directors of the Company;
- e) **“Charter”** with reference to a committee shall mean the principal document governing the operation of the committee in accordance with the provisions of Applicable Laws;
- f) **“Chief Financial Officer”** means chief financial officer as defined in Section 2(19) of Companies Act, 2013 or any modification or re-enactment made thereunder for the time being in force;
- g) **“Company”** means Grihum Housing Finance Limited;
- h) **“Committees”** means committees of Board of Directors constituted by virtue of Applicable Laws;
- i) **“Companies Act, 2013”** includes any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force;
- j) **“Company Secretary”** means a company secretary as defined in Section 2(24) of Companies Act, 2013 or any modification or re-enactment made thereunder for the time being in force;
- k) **“Corporate Governance”** means a set of relationships between the Company’s management, its Board, its shareholders and other stakeholders which provide the structure through which the objectives of the Company are set, and the means of attaining those objectives and monitoring performance. It helps to define the way authority is allocated and the way corporate decisions are arrived at and executed;
- l) **“Corporate Social Responsibility Committee”** means the Corporate Social Responsibility Committee constituted as per the Applicable Laws;

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- m) **“Director”** means a director appointed to the Board of the Company as defined in Section 2(34) of the Companies Act, 2013;
- n) **“Independent Director”** means an independent director defined in Section 2(47) of Companies Act, 2013 or any modification or re-enactment made thereunder for the time being in force;
- o) **“Information Technology Strategy Committee”** means the Information Technology Strategy Committee constituted as per the Applicable Laws;
- p) **“NHB”** means the National Housing Bank established under Section 3 of The National Housing Bank Act, 1987.
- q) **“Nomination Committee”** means the Nomination and Remuneration Committee (“NRC”) constituted as per the Applicable Laws;
- r) **“Risk Management”** means the process established to ensure that all material risks and associated risk concentrations are identified, measured, limited, controlled, mitigated and reported on a timely and comprehensive basis;
- s) **“Risk Management Committee” or “RMC”** means the committee constituted as per the Applicable Laws;
- t) **“Senior Management Personnel”** shall have the same meaning as defined in the clause 3 (I) of the Remuneration Policy of the Company, as amended from time to time.
- u) **“Stakeholders Relationship Committee”** means the Stakeholders Relationship Committee constituted as per the Applicable Laws;

#### 4. GUIDELINES ON CORPORATE GOVERNANCE

In pursuance of the RBI Master Directions, the Company has framed the following internal guidelines on Corporate Governance.

#### 5. BOARD OF DIRECTORS

The Board shall be responsible for exercising its business judgments to act in what it reasonably believes to be in the best interests of the Company and its shareholders. The Board along with its constituted Committees shall provide direction and guidance for the Company and shall further supervise and review the performance of the Company.

As the Directors occupy fiduciary position, they shall attend and actively participate in Board and its Committee meetings thereof, on which they serve, and shall properly, discharge their responsibilities.

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The Board of Director focus its activity on the determination, supervision, and monitoring of the strategies and general guidelines that must be followed by the Company and entrusts to the representative management decision making bodies and to the senior officers the dissemination, coordination, and acting in furtherance of the interests of each and every one of the companies forming part thereof.

The Board shall ensure that the Company's organisational structure enables the Board and Senior Management to carry out their responsibilities and facilitates effective decision-making and good governance. This includes clearly laying out the key responsibilities and authorities of the Board itself, of Senior Management and of those responsible for the control functions.

#### **A. Corporate culture and values**

In order to promote a sound corporate culture and values, the Board shall ensure the following:

1. Setting and adhering to corporate values for itself, Senior Management and other employees that create expectations that all business should be conducted in a legal and ethical manner;
2. Promoting risk awareness within a strong risk culture, conveying the Board's expectation that it does not support excessive risk-taking and that all employees are responsible for helping ensure that the Company operates within the agreed risk appetite and risk limits;
3. Ensuring that appropriate steps are taken to communicate throughout the Company the corporate values, professional standards or Code of Conduct it sets, together with supporting policies;

Employees should be encouraged and able to communicate, confidentially and without the risk of victimization, legitimate concerns about illegal, unethical or questionable practices. This will be facilitated through the Breach of Integrity and Whistle Blower Policy including any modification(s) revision(s) thereto.

#### **B. Oversight of Senior Management**

The Board should oversee the Senior Management. It should hold members of Senior Management accountable for their actions and enumerate the consequences if those actions are not aligned with the Board's performance expectations.

#### **C. Size of the Board**

The Board's strength shall be minimum 3 (three) Directors and maximum number of directors shall be as per the limit specified in the Companies Act, 2013 and the Articles of Association of the Company.

#### **D. Board Composition**

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The Board shall have an optimum combination of executive, non-executive and Independent Directors and at least one Independent woman director in line with the requirements of Applicable Laws and the Articles of Association of the Company as amended from time to time.

Where the chairperson of the Board of Directors is a non-executive director, at least one-third of the board of directors shall comprise of independent directors and where the Company does not have a regular non-executive chairperson, at least half of the board of directors shall comprise of Independent Directors.

#### **E. Board Meetings and Quorum**

The Board Meetings of the Company shall be held as per the requirements prescribed under the Applicable Laws and as decided by the Board of Directors. The meetings of the Board shall generally be held at the Company's corporate office/registered office unless otherwise decided by the Board of Directors. The dates of the meetings shall be fixed well in advance.

The quorum shall be as per the requirements of the Applicable Laws and as per the provisions of the Articles of Association of the Company.

#### **F. Information to be placed before Board and its Committees.**

To enable the Board members to discharge their responsibilities effectively and take informed decisions, detailed agenda papers, with explanations on each item, shall be sent to each Director well in advance of the Board and its Committee meetings as per Companies Act, 2013 and other Applicable Laws. All the items on the agenda shall be discussed in detail, during the Board and its Committee meetings. The Board members shall have complete access to any information, within the Company. At the meetings, the Board members shall be provided with all the relevant information on important matters affecting the working of the Company as well as the related details that require deliberation by the members of the Board.

#### **G. Agenda for the Meeting**

The agenda for the Board and its Committee meetings shall be sent to the Board members and the Committee members respectively within a reasonable period of time prior to the Meeting as per the Applicable Laws. Each Board member and Committee member as the case may be is free to suggest inclusion of items in the agenda. With the permission of the Chair, each Board member and Committee member, as the case may be is free to raise any matter(s) that is/are not on the agenda of the Board and the Committee Meeting respectively and any other matter can be placed for discussion unless there are any regulatory restrictions. However, with reference to any sensitive matter on the agenda, relevant information can be made available only at the time of the Board Meeting or the Committee meeting as the case may be.

#### **H. Attendance at Board Meetings**

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The Directors shall strive to attend all meetings of the Board and its Committees where they are members. In case a Director is unable to attend specific Board Meeting or its Committees where they are members, he or she shall obtain leave of absence from the Board or the Committee as the case may be.

## I. Minutes

The minutes of all meetings of the Board and the Committees shall be circulated to the Board and the Committee respectively and shall be noted in the consequent Board Meeting and Committee meeting respectively as per Companies Act, 2013 and Secretarial Standard on Meetings of the Board of Directors issued by the ICSI and other Applicable Laws. Minutes of meetings of Committees of Board shall be placed before the Board.

## 6. BOARD COMMITTEES

The Board shall have the following Committees mandatorily besides other committees:

- Audit Committee;
- Nomination and Remuneration Committee;
- Risk Management Committee;
- Asset Liability Management Committee;
- Stakeholder Relationship Committee;
- Information Technology Strategy Committee; and
- Corporate Social Responsibility Committee

The terms of reference of the abovementioned Committees shall be determined by the Board from time to time as per Applicable Laws.

Other than the Committees that are mandatorily required to be constituted, the Board may at its discretion, constitute such other Committees, as and when required, to ensure smooth functioning of the Company.

**Details of the various Board Committees are as under:**

### A. AUDIT COMMITTEE

The Audit Committee constitution and functioning shall be in compliance with the provisions of the Applicable Laws. The powers, functions, duties and terms of reference of the Audit Committee shall be comprehensive and include the requirements as set out by Section 177 of the Companies Act, 2013, Listing Regulations and other applicable laws as amended from time to time and as laid down in the Charter/Terms of Reference of the Audit Committee adopted by the Board. The Committee will be vested with necessary powers, as defined in its terms of reference to achieve its objectives.

**Composition:**



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The Audit Committee of the Company shall have minimum of three Directors and Two Thirds (2/3) members shall be Independent Directors. Further, composition of Audit Committee shall be in accordance with the provisions of Articles of Association of the Company as amended from time to time.

The chairperson of the Committee shall attend the Annual General Meeting (AGM) to answer shareholder queries and in case of any exigency he may authorise any member of the Audit Committee to attend the AGM on his behalf.

The Company Secretary of the Company shall act as secretary to the Audit Committee.

The members of the Audit Committee shall meet all applicable legal requirements with respect to independence, financial literacy, accounting or related financial expertise, etc. as required by Companies Act, 2013 and other Applicable Laws. The members of the Audit Committee shall be appointed by the Board of Directors.

The Audit Committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the Audit Committee, but on occasions it may also meet without the presence of any executives of the Company. The CFO, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the Audit Committee.

#### **Meetings and Quorum:**

The Audit Committee should meet at least four times a year and not more than 120 days shall lapse between two meetings including one prior to the finalization of the Annual Financial Statements.

Quorum shall comprise of two members or one third of the total members of the Audit Committee whichever is higher, with at least two independent directors. Further, quorum requirement for meetings of Audit Committee shall also be in accordance with the provisions of Articles of Association of the Company as amended from time to time.

#### **Minutes:**

The Company Secretary will maintain minutes of the meetings of the Audit Committee as per the Applicable laws.

#### **Role of the Committee:**

The Audit Committee shall undertake such duties as per the Charter/Terms of Reference approved by the Board and any such duties as may be delegated to it from time to time, in conformity with the Applicable Laws.

Additionally, the Audit Committee shall *inter alia* ensure that an Information System Audit of the critical and significant internal systems and processes is conducted at least once in once in a year to assess operational risks.

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## **B. NOMINATION AND REMUNERATION COMMITTEE**

The Board shall constitute a Nomination and Remuneration Committee (NRC) to ensure 'fit and proper' status of proposed/existing directors in accordance with the fit and proper policy of the Company.

The NRC constituted under this paragraph shall have the same powers, functions and duties as laid down in Section 178 of the Companies Act, 2013, Listing Regulations and other Applicable laws as amended from time to time and as laid down in the Charter of the NRC.

### **Composition:**

The NRC of the Board shall have atleast three non-executive Directors out of which not less than two-third shall be Independent Directors. Further, composition of NRC shall also be in accordance with the provisions of Articles of Association of the Company as amended from time to time.

The chairperson of the NRC shall be an independent director, provided that the chairperson of the Company whether executive or non-executive may be appointed as member of NRC but shall not act as the chairman of the NRC.

The Chief Human Resource Officer (CHRO) shall be responsible to act as the primary interface between the Chairperson of the Committee and the Senior Management and ensure relevance of the items tabled at the Committee Meetings.

The Company Secretary will act as a Secretary to the Committee but shall not be a member. The Company Secretary shall be responsible to provide support to the CHRO in his/her role and to ensure proper execution of the required processes.

The Chairperson of the NRC if required shall attend the AGM of the Company to answer the shareholders' queries. However, it would be up to the chairperson of the NRC to decide who should answer the queries.

### **Meetings and Quorum:**

The NRC shall meet atleast once in a year and further on need basis.

Quorum shall comprise of two members or one third of the total members of the NRC, whichever is higher. Further, quorum requirement for meetings of NRC Committee shall also be in accordance with the provisions of Articles of Association of the Company as amended from time to time.

### **Minutes:**

The Company Secretary will maintain the minutes of the meeting of the NRC as per Applicable Laws.

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### Role of Committee:

The NRC shall undertake the duties as per the Charter approved by the Board and any other duties as may be delegated to it from time to time, in accordance with Applicable Laws.

### C. RISK MANAGEMENT COMMITTEE

The RMC will be constituted of Board to manage the integrated risks of the Company.

The RMC shall identify, review and control key risk areas, across the entire organization. The RMC shall review and monitor integrated risk viz; credit risk, market risk, liquidity risk, operational risk, regulatory risk and reputational risks. The Risk Management Committee shall be vested with necessary powers, as defined in its Charter/Terms of Reference to achieve its objectives.

### Composition:

The constitution and functioning of RMC shall be in line with the requirements of Applicable Laws and in accordance with the provisions of Articles of Association of the Company as amended from time to time.

The RMC shall have minimum of three Directors, constituting the majority of RMC, including at least one independent director. The members of the Committee will be appointed by the Board.

The Chief Risk Officer shall be responsible to act as the primary interface between the Chairperson of the Committee and the Senior Management and ensure relevance of the items tabled at the Committee Meetings.

The Company Secretary will act as a secretary to the Committee but shall not be a member. The Company Secretary shall be responsible to provide support to the Chief Risk Officer in his/her role and to ensure proper execution of the required processes.

### Meetings and Quorum:

The RMC shall meet on a quarterly basis and further on need basis.

The quorum of RMC shall comprise any two members of the Committee or one third of the members of the committee, whichever is higher, including at least one member of the board of directors in attendance and in accordance with the provisions of Articles of Association of the Company as amended from time to time.

### Minutes

The Company Secretary will maintain minutes of the meetings of the RMC as per Applicable Laws.

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#### **Role of the Committee:**

The RMC shall undertake all such duties as decided and delegated by the Board to it from time to time and other applicable laws as amended from time to time.

#### **D. ASSET LIABILITY MANAGEMENT COMMITTEE**

The Board shall also constitute an Asset Liability Management Committee (ALCO) as per Applicable Laws and in accordance with the provisions of Articles of Association of the Company as amended from time to time. The functioning of the ALCO shall also be in line with the requirements of the RBI Master Directions.

The Committee inter alia, shall monitor the asset liability gap and strategize action to mitigate the risk associated. The Committee shall mainly address liquidity and interest rate risk.

#### **Composition:**

The ALCO shall have minimum of three Directors and pursuant to Guidelines on Liquidity Risk Management (LRM) Framework, ALCO should be headed by the CEO/MD or Executive Director. The members of the Committee will be appointed by the Board. The Chiefs of Investment, Credit, Resource Management or Planning, Funds Management/ Treasury (forex and domestic), Economic Research may be members of the Committee. Further, composition of ALCO shall be in accordance with the provisions of Articles of Association of the Company as amended from time to time.

The Chief Financial Officer shall be responsible to act as the primary interface between the Chairperson of the Committee and the Senior Management and ensure relevance of the items tabled at the Committee meetings.

The Company Secretary will act as a Secretary to the Committee but shall not be a member. The Company Secretary shall be responsible to provide support to the Chief Financial Officer in his/her role and to ensure proper execution of the required processes.

#### **Meetings and Quorum:**

The ALCO shall meet on a quarterly basis and further on need basis.

The quorum of ALCO meetings shall comprise of at least two members of the Committee. Further the quorum of ALCO shall also be in accordance of applicable provisions of the Articles of Association of the Company as amended from time to time.

#### **Minutes:**

The minutes of the meetings of ALCO shall be maintained by the Company Secretary as per Applicable Laws.

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#### **Role of the Committee:**

The Committee shall undertake such duties as per the terms of reference approved by the Board and such other duties as may be delegated to it from time to time.

#### **E. Stakeholder Relationship Committee**

The Board shall also constitute a Stakeholder Relationship Committee (SRC) as per Applicable Laws and in accordance with the provisions of Articles of Association of the Company as amended from time to time. The functioning of the SRC shall also be in line with the requirements of the Listing Regulations.

The Committee inter alia, resolve the grievances of the security holders of the listed entity.

#### **Composition:**

The SRC shall have at least three Directors with at least one being Independent Director. SRC should be headed by Non-Executive Director of the Board. The members of the Committee will be appointed by the Board. Further, the composition of SRC shall be in accordance with the provisions of Articles of Association of the Company as amended from time to time.

The Company Secretary shall be responsible to act as the primary interface between the Chairperson of the Committee and the Senior Management and ensure relevance of the items tabled at the Committee meetings.

The Company Secretary will act as a Secretary to the Committee but shall not be a member.

#### **Meetings and Quorum:**

The SRC shall meet at least once a year.

The quorum of SRC meetings shall comprise of at least two members of the Committee. Further the quorum of SRC shall also be in accordance with applicable provisions of the Articles of Association of the Company as amended from time to time.

#### **Minutes:**

The minutes of the meetings of SRC shall be maintained by the Company Secretary as per Applicable Laws.

#### **Role of the Committee:**

The Committee shall undertake such duties as per the terms of reference/charters approved by the Board and such other duties as may be delegated to it from time to time.

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#### **F. Information Technology Strategy Committee**

The Board shall also constitute a Information Technology Strategy Committee (ITSC) as per Applicable Laws and in accordance with the provisions of Articles of Association of the Company as amended from time to time. The functioning of the ITSC shall also be in line with the requirements of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 read with Master Direction - Information Technology Framework for the NBFC Sector, 2017

#### **Composition:**

The Chairperson of the Committee shall be an independent director and CIO (Chief Information Officer) & CTO (Chief Technology Officer) shall be a part of the Committee. In addition to this, the Board is empowered to decide the composition and size of the Committee in line with the applicable laws and in accordance with the provisions of Articles of Association of the Company as amended from time to time.

The Chief Information Officer shall be responsible to act as the primary interface between the Chairperson of the Committee and the Senior Management and ensure relevance of the items tabled at the Committee meetings.

The Company Secretary will act as a Secretary to the Committee but shall not be a member. The Company Secretary shall be responsible to provide support to the Chief Information Officer in his/her role and to ensure proper execution of the required processes.

#### **Meetings and Quorum:**

The Committee shall meet as often as it deems necessary or appropriate in its judgment, and at such times and places as the Committee determines. The gap between the two meetings should not exceed 6 months.

The quorum of ITSC meetings shall comprise of at least two members of the Committee or at least one third of the total Members of Committee, whichever is higher. Further the quorum of ITSC shall also be in accordance with applicable provisions of the Articles of Association of the Company as amended from time to time.

#### **Minutes:**

The minutes of the meetings of ITSC shall be maintained by the Company Secretary as per Applicable Laws.

#### **Role of the Committee:**

The Committee shall undertake such duties as per the terms of reference/charters approved by the Board and such other duties as may be delegated to it from time to time.

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## **G. Corporate Social Responsibility**

The Board shall also constitute a Corporate Social Responsibility Committee (CSRC) as per Applicable Laws and in accordance with the provisions of Articles of Association of the Company as amended from time to time. The functioning of the CSRC shall also be in line with the requirements of the Companies Act, 2013.

The Committee inter alia, shall provide approach and guiding principles for selection, implementation and monitoring of CSR activities to be undertaken by the Company.

### **Composition:**

The CSRC shall have at least three Directors with at least one being Independent Director. SRC should be headed by Director of the Board. Further, the composition of CSRC shall be in accordance with the provisions of Articles of Association of the Company as amended from time to time.

The Chief Financial Officer shall be responsible to act as the primary interface between the Chairperson of the Committee and the Senior Management and ensure relevance of the items tabled at the Committee meetings.

The Company Secretary will act as a Secretary to the Committee but shall not be a member. The Company Secretary shall be responsible to provide support to the Chief Financial Officer in his/her role and to ensure proper execution of the required processes.

### **Meetings and Quorum:**

The CSRC shall meet at least twice a year.

The quorum of CSRC meetings shall comprise of at least two members of the Committee. Further the quorum of CSRC shall also be in accordance of applicable provisions of the Articles of Association of the Company as amended from time to time.

### **Minutes:**

The minutes of the meetings of CSRC shall be maintained by the Company Secretary as per Applicable Laws.

### **Role of the Committee:**

The Committee shall undertake such duties as per the terms of reference/charters approved by the Board and such other duties as may be delegated to it from time to time.

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## 7. CHIEF RISK OFFICER

### Appointment:

The Board shall appoint and/ or designate a senior official with adequate expertise in the area of risk management, as the Chief Risk Officer (CRO), in accordance with the RBI Master Directions. The CRO shall be appointed for a fixed tenure with the approval of the Board. The CRO can be transferred/ removed from his post before completion of the tenure only with the approval of the Board and such premature transfer/ removal shall be reported to the NHB. Since, the debt securities of the Company are listed, the Company is considered as a listed company, and any change in incumbency of the CRO shall also be reported to the stock exchanges.

### Role of the CRO:

The CRO shall undertake such duties or perform such roles or exercise such powers as entrusted to it by the Board, in accordance with the Applicable Laws. The CRO is required to function independently so as to ensure highest standards of risk management. The CRO shall be involved in the process of identification, measurement and mitigation of risks. All credit products shall be vetted by the CRO from the angle of inherent and control risks. The CRO's role in deciding credit proposals shall be limited to being an advisor. The CRO shall not have any reporting relationship with the business verticals of the Company and shall not be given any business targets. Further, there shall not be any 'dual hatting' i.e. the CRO shall not be given any other responsibility.

### Reporting:

The CRO shall directly report to the Managing Director and Chief Executive Officer of the Company or the Risk Management Committee (RMC) of the Board. However, if the CRO reports to the Managing Director and Chief Executive Officer of the Company then the RMC/ Board shall meet the CRO at least on a quarterly basis without the presence of the Managing Director and Chief Executive Officer.

## 8. FIT AND PROPER CRITERIA FOR DIRECTORS

The Company has in place a Policy for ascertaining the 'fit and proper' criteria at the time of appointment of Directors and on a continuing basis. The NRC shall review the appointment/re-appointment of Directors considering their qualifications, expertise, track record, integrity and other 'fit and proper' criteria. The NRC should obtain such declarations/undertakings, deed of covenant from the Directors and ensure furnishing such statement and certificates as may be prescribed by the Applicable Laws.

The Company shall ensure that a quarterly statement is submitted within 15 days from the end of the respective quarter to NHB on change of directors along with a certificate from the Managing Director certifying that the fit and proper criteria is adhered while selecting directors. The statement for the quarter ending March 31, shall be certified by the statutory auditors.



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## 9. CODE OF CONDUCT

The Company has adopted code of ethics approved by the Board of Directors which is binding on employees and directors of the Company and the same shall be complied with.

## 10. DISCLOSURE TO THE BOARD

The following disclosures shall be made to the Board of Directors at regular intervals as may be prescribed by the Board in this regard:

1. Progress made in putting in place a progressive risk management system, and risk management policy and strategy followed;
2. Conformity with Corporate Governance standards viz. in composition of various Committees, their role and functions, periodicity of the meetings and compliance with coverage and review functions, etc.

The following disclosures shall be made in the annual financial statements:

1. Registration / licence / authorisation by whatever name called, obtained from other financial sector regulators;
2. Ratings assigned by credit rating agencies and migration of ratings during the year;
3. Penalties, if any, levied by any regulator;
4. Information namely, area, country of operation and joint venture partners with regard to joint ventures and overseas subsidiaries; and
5. Asset-liability profile, extent of financing of parent company products, Non-Performing Assets (NPA) and movement of NPAs, details of all off-balance sheet exposures, structured products issued by them as also securitization/ assignment transactions and other disclosures.
6. Any other information which requires disclosure under the Applicable Laws.

## 11. AUDITORS

### A. Statutory Auditors

The Board and the Audit Committee of the Company shall be responsible to appoint Statutory Auditors who demonstrate professional ability and independence in accordance with the RBI Guidelines, SEBI LODR Regulations and Companies Act, 2013. The Company shall review the independence and performance of the Statutory Auditors and the effectiveness of the audit process periodically.

Declaration shall be obtained from the Auditors affirming their eligibility for being appointed as the Statutory Auditors of the Company.

Further, the Company shall rotate the partner/s of the Chartered Accountant firm(s) conducting the statutory audit of the Company, every three years as per Applicable Laws and in accordance with Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs).

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## B. Secretarial Auditors

The Board shall appoint a Company Secretary in practice, in accordance with the provisions of the Companies Act, 2013, SEBI LODR Regulations and Rules made thereunder to conduct a Secretarial Audit of the Company for every financial year.

The Secretarial Auditor shall provide its report in the form and manner prescribed under the applicable laws / regulations. The Secretarial Audit Report shall be placed before the Board for its noting and records and the same be annexed to the Board's Report which shall be circulated to the Members of the Company in accordance with the applicable laws / regulations.

### 12. REVIEW OF POLICY

The Board of Directors or its Committee may review the policy from time to time as may be required. Changes, if any, shall be effective only upon approval by the Board.

### 13. CHANGE CONTROL RECORD

Version No.	Change Request by	Memorandum of Change	Approval date
2.0	Secretarial	Periodic Review	09.06.2020
-	-	Name of the Company changed to Poonawalla Housing Finance Limited w.e.f. 22.07.2021	-
3.0	Secretarial	Periodic Review	31.01.2022
4.0	Secretarial	To align with the requirements of RBI Master Directions w.r.t. Chief Risk Officer	19.10.2022
5.0	Secretarial	To align with the requirements of High Value Debt Listed Entity	18.10.2023
-	-	Name of the Company changed to Grihum Housing Finance Limited w.e.f. 17.11.2023	-