

## Internal Guidelines on Corporate Governance

### 1. PREAMBLE

In order to adopt best practices and greater transparency in the operations of the Company and in compliance with the Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 issued by National Housing Bank (NHB) vide Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017, the Company has framed this set of Internal Guidelines on Corporate Governance.

### 2. DEFINITIONS

1. **“Act”** shall mean the provisions of the Companies Act, 2013 and rules made thereunder and shall include the statutory amendment(s), modification(s) or re-enactment(s) thereof.
2. **“Board”** shall mean the Board of Directors of the Company, as constituted from time to time.
3. **“Company”** means Shriram Housing Finance Limited (“SHFL”)
4. **“Committee”** shall mean committee of the Board of Directors or such other Committee constituted from time to time.
5. **“Directions”** shall mean the Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 issued by NHB vide notification no. NHB.HFC.CGDIR.1/MD&CEO/2016 on 9th February, 2017.
6. **“Independent Director”** shall mean a Director who satisfies the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013
7. **“KMP”** shall mean Key Managerial Personnel as defined in sub section (51) of Section 2 of the Companies Act, 2013.
8. **“Senior Management Personnel”** shall mean employees of the Company who are members of the core management team excluding Board of Directors. This shall comprise of all members of management one level below the Directors, including all functional heads.
9. **“SEBI Listing Regulations”** shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes any statutory modification(s) thereof.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,

2015, or any other applicable law/regulation/rules prescribed by National Housing Bank or such other authority.

### **3. BOARD OF DIRECTORS**

The Company's Board has a primary role to protect and enhance stakeholders' value through supervision and strategic inputs. The Board along with its Committees not only provides supervision and exercises appropriate controls, but also ensures a strong emphasis on transparency, accountability and integrity. Every Director holds a fiduciary position and shall be required to attend and actively participate in the Board and its Committee Meetings in which they are a Member and conscientiously fulfil his/her obligations as Director of the Company.

The Board, in compliance with extant regulatory prescriptions, shall comprise of both Executive and Non-Executive Directors, one of whom must be a woman and at least a third of the total number of Directors being Independent Directors. All the Directors shall meet the 'fit and proper' criteria as prescribed under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and by the National Housing Bank.

At present the Board comprises of 2 (Two) Independent Directors, 1 (one) Non-Executive Directors and 1 (one) Executive Director being the Managing Director & CEO. The Directors bring to the Board a wide range of experience and skills, which includes banking, finance, lending, accounting and economics. None of the Directors of the Company are related to each other.

All the Directors on the Board (except Independent Directors and the Managing Director) are liable to retire by rotation and one third of such Directors shall retire at every Annual General Meeting of the Company. The Directors who are longest in office shall retire and in accordance with the provisions of applicable laws shall be eligible for re-election.

#### ***Meetings of the Board***

At least 4 meetings of the Board shall be held in every calendar year and at least 1 (one) meeting will be held every calendar quarter, with a maximum time gap of 120 (one hundred and twenty) days between two Board meetings. The meeting of the Board of Directors shall be called by giving not less than seven days' notice in writing to every Director by hand delivery or by post or by electronic means. The agenda for the meeting should be made available to the Board shall be furnished to the Directors well in advance.

The decisions of the Board shall be taken by simple majority of the Directors and each Director shall exercise one vote. The Chairman of the Board shall not be entitled to a second or casting vote at any meeting of the Board.

#### ***Minimum Information to be placed before the Board***

1. 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 the Act and other applicable laws.

2. The Company shall place all statutory and other significant matters including minimum information required to be placed in terms of Schedule II – Part A of the SEBI Listing Regulations and Secretarial Standard on the Meetings of the Board of Directors [SS-1] as prescribed by the Institute of Company Secretaries of India, before the Board to enable it to discharge its duty responsibly.
3. The Minutes of all Board Meetings and its Committee Meetings shall be circulated to the Board members as per the applicable provisions of the Act and SS-1. Minutes of the previous Board /Committee Meetings are placed in the subsequent Board/Committee Meeting for noting.
4. Any further information / data / clarification as required by the Board would be made available as and when sought, in a transparent and timely manner.

### ***Board Independence***

Independent Directors are expected to play a key role in the decision-making process of the Board by participating in the process of framing the overall strategy of the Company. The Independent Directors should strive to bring in an independent, impartial and objective view to discussions at the meetings of the Board and its Committees and they shall act in a way that is in the best interest of the Company and its stakeholders.

Independent Directors appointed on the Board of the Company shall fulfill the criteria of independence as set out under the provisions of Companies Act, 2013 and other applicable laws in this regard. They shall submit an annual declaration affirming compliance with the criteria of independence for every financial year and such declaration shall be submitted whenever there is any change in circumstances which may affect their independence.

An Independent Director shall hold office for a term of up to five consecutive years and shall be eligible for re-appointment for another term of up to five consecutive years on passing of a special resolution by the Company. Provided that an Independent Director, who completes two consecutive term(s) shall be eligible for appointment as Independent Director in the Company only after the expiration of three years of ceasing to be an Independent Director in the Company.

### ***Disclosures***

An annual declaration on confirmation in respect of fit and proper criteria in the format prescribed under the Company's Policy on fit and proper criteria for the Directors formulated in terms of NHB Directions shall be furnished by the Directors as per annexure A.

A declaration of independence in terms of Section 149(7) of the Companies Act, 2013 shall be furnished as per annexure B by the independent Directors every financial year or whenever there is any change in

the circumstances that affect their status as an Independent Director.

### ***Board Compensation Review***

The remuneration payable to the Director(s) shall be determined by the Nomination and Remuneration Committee and shall be recommended to the Board for its consideration and approval. The remuneration payable shall be in accordance with the Board approved Remuneration Policy and applicable laws.

Presently, the Independent Directors of the Company are paid remuneration by way of sitting fees for attending meetings of the Board and its Committees, in compliance with the applicable laws in this regard.

## **5. COMMITTEES**

The Board has constituted committees to deal with specific matters and for operational convenience, delegated powers for different functional areas to different Committees in accordance with the applicable laws. The Audit Committee, Risk Management Committee, the Asset-Liability Management Committee, the Nomination and Remuneration Committee and the Corporate Social Responsibility Committee have been constituted in accordance with the provisions of the Companies Act, 2013 as applicable to the Company. The composition, terms of reference and functioning of the Committee(s) shall be decided by the Board of Directors in accordance with the provisions of the applicable laws.

Minutes of meetings of Committees of the Board and other Committee(s) as specified by the Board shall be placed before the Board for its perusal, discussion and noting. The decisions of the Committees shall be taken by simple majority of the members of the respective Committees and each member shall exercise one vote. Chairman of the Committee(s) shall not be entitled to a second or casting vote at any meetings of the Committee(s).

### **Details of various Committee(s) are as under:**

#### ***1. Audit Committee***

The Company shall have in place an Audit Committee constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 and rules framed thereunder.

The Audit Committee shall consist of minimum of three directors and atleast two third of the members shall be independent directors. All the Members of the Audit Committee shall be financially literate and atleast one Member shall have an accounting or related financial management expertise.

The Chairperson of the Audit Committee shall be an Independent Director.

At least 4 meetings of the Committee shall be held in every calendar year and the Committee shall meet once every calendar quarter.

The terms of reference of the committee are as below:

1. oversight of the financial reporting process and the disclosure of financial information to ensure that the financial statement is correct, sufficient and credible including the compliance of KYC;
2. recommendation for appointment, re-appointment, remuneration and terms of appointment of auditors;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. "reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - b. changes, if any, in accounting policies and practices and reasons for the same;
  - c. major accounting entries involving estimates based on the exercise of judgment by management;
  - d. significant adjustments made in the financial statements arising out of audit findings;
  - e. compliance with listing and other legal requirements relating to financial statements;
  - f. disclosure of any related party transactions;
  - g. modified opinion(s) in the draft audit report;
5. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the listed entity with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with internal auditors of any significant findings and follow up there on;
15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. to review the functioning of the whistle blower mechanism;

19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
21. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
22. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
23. The audit committee shall mandatorily review the following information:
  - management discussion and analysis of financial condition and results of operations;
  - management letters / letters of internal control weaknesses issued by the statutory auditors;
  - internal audit reports relating to internal control weaknesses; and
  - the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
24. statement of deviations:
  - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
25. Carry out any other function as decided by the Board from time to time.

The Company Secretary shall act as the secretary to the committee.

## **2. Nomination & Remuneration Committee**

The Company shall have in place a Nomination and Remuneration Committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013.

The Nomination and Remuneration Committee shall comprise of atleast three directors and all Directors of the Committee shall be Non- Executive Directors. Atleast fifty percent of the Members shall be Independent Directors. However, the Chairman of the Company (whether executive or nonexecutive) may be appointed as a Member of the Committee but shall not be allowed to chair the Committee.

The Committee shall meet at such regular intervals as may be required.

The Chairperson of the Committee shall be present at the Annual General Meeting to answer shareholder queries

The presence of atleast two members shall be required to form the necessary quorum unless otherwise stipulated in the Act.

The terms of reference of the committee are as below:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees keeping in view to attract, motivate and retain talent required for the progress of the Company;
2. "For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
3. formulation of criteria for evaluation of performance of independent directors and the board of directors;
4. devising a policy on diversity of board of directors;
5. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
6. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
7. recommend to the board, all remuneration, in whatever form, payable to senior management.
8. Carry out evaluation of performance of every Director on an annual basis.
9. Formulate policies for qualification, attributes and independence of directors.
10. To ensure 'fit and proper' status of Directors at the time of their appointment as well as on continuing basis.
11. Recommend removal of a Director from the Board, in case if such need arises.
12. Guide policies and practices in the talent management of the Company.
13. Formulate, recommend to the Board and administer Employees Stock Option Plans (ESOP) and other incentive plans for employees and directors and interpret and adopt rules for the operation thereof.
14. Approve employment agreements, severance arrangements and change in control agreements.
15. To form Sub-committees and take matters as may be assigned by the Board from time to time.

The Company Secretary shall act as the secretary to the committee

### **3. Asset-Liability Management Committee (ALCO)**

The Company shall have in place an Asset Liability Management Committee.

The Asset Liability Management committee shall consist of minimum of two members. The Head of Technology and Chief of Credit would be invitees for the meetings of the committee. At least 4 meetings of the Committee shall be held in every calendar year and the Committee shall meet once every calendar quarter.



The presence of two members shall be required to form the necessary quorum.

The terms of reference of the committee are as below:

1. Responsible for balance sheet planning from risk return perspective including the strategic management of rate of interest and liquidity risks. Business and risk management strategy of the company will ensure that the company operates within the limits / parameters set by the Board. Business issues that the ALCO would consider, inter alia, will include product pricing for advances, desired maturity profile and mix of incremental assets and liabilities, prevailing interest rates offered by competition for the similar product, etc.;
2. In addition to monitoring the risk levels of the company, the ALCO will review the results of and progress in implementation of the decisions made in the previous meetings;
3. The ALCO would also articulate the current interest rate view of the company and base its decisions for future business strategy on this view. In respect of the funding policy, for instance, its responsibility would be to decide on source and mix of liabilities or composition of assets;
4. Develop a view on future direction of rate of interest movement and decide on funding mixes between fixed vs floating rate funds;
5. The ALCO shall in line with this policy and other written policies of the organization, including the Investment Policy, Loan Policy, and Business/Strategic Plan shall have the authority:
  - i. To revise the lending rates for various class of Loan Assets – both existing and incremental;
  - ii. To revise the reference rate on Loan Assets – (floating rate of interest);
  - iii. To review the asset mix and decide the planned asset mix;
  - iv. To review the borrowing mix and decide the planned mix;
  - v. To review and decide on the investment plan.
6. In line with its responsibility for formulating, implementing and monitoring the organization's asset/liability management program, the ALCO shall meet at least once in a quarter calendar (or more frequently depending on economic and interest rate conditions).

The Company Secretary shall act as the secretary to the committee.

#### **4. Corporate Social Responsibility (CSR) Committee**

The Corporate Social Responsibility Committee shall consist of three or more Directors, out of which atleast one Director shall be an Independent Director.

At least one meeting of the Committee shall be held every year.

The presence of atleast two members shall be required to form the necessary quorum unless otherwise stipulated in the Act.

1. to formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII;
2. to recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and



3. to monitor the Corporate Social Responsibility Policy of the Company from time to time.

The Company Secretary shall act as the secretary to the committee.

#### **5. Risk Management Committee**

The Company shall have in place a Risk Management Committee in pursuant to the SEBI LODR Regulations, 2015 applicable to the listed companies and instruction issued by RBI for Housing Finance Companies from time to time.

The committee shall consist of minimum of three members with majority members as directors of the Board. The Chief Risk officer shall be the Member to the Committee and meet the Risk Management Committee at least once in a quarter without the presence of MD/CEO. At least 4 meetings of the Committee shall be held in every calendar year and the Committee shall meet once every calendar quarter.

The presence of two members or one third members whichever is higher, shall be required to form the necessary quorum. The terms of reference of the committee are as below:

1. To formulate a detailed risk management policy which shall include:
  - a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
  - b. Measures for risk mitigation including systems and processes for internal control of identified risks;
  - c. Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
7. The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

The Company Secretary shall act as the secretary to the committee

**In addition to above, the Board has constituted a Banking & Finance Committee, an Internal Complaints Committee, a Whistle Blower & Vigil Mechanism Committee, a Credit Committee, an IT strategy Committee, Review Committee and Interest Rate Monitoring Committee consisting of Director(s) or Senior Management Personnel of the Company and may constitute such other Committees, as may be required for effective functioning of the Company.**

All terms and reference of the Committee shall be reviewed by the Board of Directors of the Company from time to time.

## **6. PERFORMANCE EVALUATION**

The Nomination and Remuneration Committee of the Company shall evaluate the performance of the individual Directors, the Board, as a whole and its Committees. The NRC shall provide an overview Report of the evaluation conducted by it, to the Board for their discussion and analysis.

## **7. CONFLICT OF INTEREST**

The Company expects its Directors, officers and other employees to act ethically at all times and to acknowledge their adherence to the policies and codes adopted by the Company.

The Directors, senior management and other employees of the Company shall endeavor to avoid any conflict of interest with respect to their dealings with the Company. A conflict of interest exists when benefits or interests of one person or entity conflict with the interests or benefit of the Company. If a Director has a potential conflict of interest in a matter under consideration by the Board or a Committee, such Director shall disclose his interest in accordance with the provisions of applicable laws and abstain from deliberations and voting on such matter. A Director who is interested in any proposed transaction shall not exercise any influence over other Board/Committee Members in any manner whatsoever and is restricted from casting his vote for the particular agenda. Officers and other employees must disclose the circumstances of any possible conflict of interest to his / her supervisor and the Managing Director and CEO, for a determination about whether a potential or actual conflict exists. If an actual or potential conflict is determined, the Company may take whatever corrective action appears appropriate according to the circumstances.

## **8. RELATED PARTY TRANSACTIONS**

All transactions with related parties should be an arm's length basis and that such credits are clearly identifiable, effectively monitored and appropriate steps are taken to control the quantitative limits or mitigate risks.

All transactions with related parties shall be subject to the approval of the Board of Directors on the recommendation of the Audit Committee including the limits, terms and conditions, if any, imposed thereon.

## **9. AUDITORS**

### ***Statutory Auditors***

The Board and the Audit Committee of the Company shall be responsible to appoint Statutory Auditors who demonstrate professional ability and independence. The Company shall review the independence and performance of the Statutory Auditors and the effectiveness of the audit process periodically. A 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 or such other earlier period as may be decided by the Board, so that same partner does not conduct audit of the company continuously for more than a period of three years. However, the partner so rotated shall be eligible for conducting the audit of the Company after an interval of three years.

### ***Internal Auditors***

The Board and the Audit Committee of the Company shall appoint Internal Auditors in accordance with the provisions of applicable laws and regulations who shall perform independent and objective assessment of the internal controls, processes and procedures instituted by the management and accordingly monitor its adequacy and effectiveness.

### ***Secretarial Auditors***

The Board shall appoint a Company Secretary in practice, in accordance with the provisions of the Companies Act, 2013 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.

## **10. CODES AND POLICIES OF THE COMPANY**

### ***Code of Conduct for Directors and Employees***

The Code of Conduct for Directors and Employees provides for employees to conduct their business and affairs in compliance with applicable laws, rules and regulations of India. The Code is applicable to all employees of the Company, including Executive Director(s) and to the Non-Executive Director(s) to the extent of their role and responsibilities in the Company.

### ***Whistle Blower Policy / Vigil Mechanism***

The Whistle Blower Policy/Vigil Mechanism has been framed to provide a mechanism under which an employee/ director of the Company may report violation of personnel policies of the Company, unethical

behaviour, suspected or actual fraud, violation of code of conduct and such similar incidences. The Vigil Mechanism ensures standards of professionalism, honesty, integrity and ethical behavior. The Mechanism adopted by the Company encourages the whistle blower to report genuine concerns or grievances and provides for adequate safeguards against victimisation of whistle blower who avails of such mechanism and also provides for direct access to the Chairman of the Audit Committee.

### **Other Codes and Policies**

In accordance with the applicable provisions of the Companies Act, 2013, the directions/ guidelines issued by the National Housing Bank, the Securities Exchange Board of India, for internal requirements and operational convenience, the Company has framed and adopted the following policies and codes which shall be updated / revised as and when required under the applicable laws or due to change in the functioning or the structure of the Company.

The codes and policies approved by the Company *inter-alia* includes the following:

- Fair Practice Code
- Most Important Terms and Conditions
- Investment Policy
- Guidelines on Know Your Customer and Anti Money Laundering Policy
- ALCO Policy
- Whistle Blower & Vigil Mechanism Policy
- Resource Mobilisation Policy
- Policy on Selection Criteria/ "Fit & Proper" Person Criteria for Directors
- Nomination & Remuneration Policy
- Corporate Social Responsibility (CSR) Policy
- Code for Independent Directors
- Business Continuity Plan & Disaster Recovery Policy
- Policy on Prevention of Sexual harassment

## **11. DISCLOSURES**

The Company is committed to make adequate disclosures based on the principles of transparency, timeliness, fairness and continuity. The Board of Directors and employees of the Company shall ensure and make necessary disclosures to the Company, the Regulator(s) / Statutory Authorities, the Shareholders, Investors or other stakeholders as may be required by the applicable laws and the codes & policies of the Company.

The Board of Directors of the Company or such other person authorized by the Board or any law / regulation, shall ensure that all the disclosures statutorily required to be made on behalf of the Company are duly made to the Regulatory / Statutory authorities or such other persons as maybe required under applicable laws / regulations.

## **12. ANNUAL REPORT**

The Annual Report of the Company shall contain a separate section on Corporate Governance detailing the measures / activities undertaken by the Company as a part of its efforts towards good corporate governance.

## **13. WEBSITE**

This internal guidelines on corporate governance shall be published on the Company's website, if any, for the information of various stakeholders, as required by NHB, from time to time.

## **14. NODAL OFFICER**

The Internal guidelines on Corporate Governance shall be implemented and monitored by the Company Secretary of the Company, being the Nodal Officer for this and the periodical review and update shall be reported by the aforementioned Nodal Officer.

## **15. AMENDMENT**

The policy will be amended from time to time by the Board of Directors on the recommendation of the Nomination & Remuneration Committee of the Board. The policy shall be automatically amended with the changes in law.

**Annexure A**

<b>Name of HFC: Shriram Housing Finance Limited</b> <b>Declaration and Undertaking by Director</b> <b>(with enclosures as appropriate as on March 31, _____)</b>		
Sr. No.		
I.	<b>Personal details of Director</b>	
a.	Full Name	
b.	Date of Birth	
c.	Education Qualifications	
d.	Relevant Background and Experience	
e.	Permanent Address	
f.	Present Address	
g.	E-mail Address / Telephone Number	
h.	Director Identification Number	
i.	Permanent Account Number under the Income Tax Act and name and address of Income Tax Circle	
j.	Relevant knowledge and experience	
k.	Any other information relevant to Directorship of the HFC	
II.	<b>Relevant Relationship of Director</b>	
a.	List of Relatives if any who are connected with the HFC (Refer Section 6 and Schedule 1A of the Companies Act, 1956 and corresponding provisions of New Companies Act, 2013)	
b.	List of entities if any in which he/she is considered as being interested (Refer Section 299(3)(a) and Section 300 of the Companies Act, 1956 and corresponding provisions of New Companies Act, 2013)	
c.	<i>List of entities in which he/she is considered as holding substantial interest within the meaning of HFC (NHB) Directions, 2010</i>	
d.	Name of HFC in which he/she is or has been a member of the board (giving details of period during which such office was held)	
e.	Fund and non-fund facilities, if any, presently availed of by him/her and/or by entities listed in II (b) and (c) above from the HFC	
f.	Cases, if any, where the director or entities listed in II (b) and (c) above are in default or have been in default in the past in respect of credit facilities obtained from the HFC or any other HFC / bank.	

III.	<b>Records of professional achievements</b>	
a.	Relevant professional achievements	
IV.	<b>Proceedings, if any, against the Director</b>	
a.	If the director is a member of a professional association/body, details of disciplinary action, if any, pending or commenced or resulting in conviction in the past against him/her or whether he/she has been banned from entry into any profession/ occupation at any time.	
b.	Details of prosecution, if any, pending or commenced or resulting in conviction in the past against the director and/or against any of the entities listed in II (b) and (c) above for violation of economic laws and regulations.	
c.	Details of criminal prosecution, if any, pending or commenced or resulting in conviction in the last five years against the director	
d.	Whether the director attracts any of the disqualifications envisaged under Section 274 of the Companies Act 1956 and corresponding provisions of New Companies Act, 2013?	
e.	Has the director or any of the entities at II (b) and (c) above been subject to any investigation at the instance of Government department or agency?	
f.	Has the director at any time been found guilty of violation of rules/regulations/ legislative requirements by customs/ excise /income tax/foreign exchange /other revenue authorities, if so give particulars	
g.	Whether the director has at any time come to the adverse notice of a regulator such as SEBI, IRDA, MCA, RBI, etc. <b><i>(Though it shall not be necessary for a candidate to mention in the column about orders and findings made by the regulators which have been later on reversed/set aside in toto, it would be necessary to make a mention of the same, in case the reversal / setting aside is on technical reasons like limitation or lack of jurisdiction, etc. and not on merit, If the order of</i></b>	
	<b><i>the regulator is temporarily stayed and the appellate / court proceedings are pending, the same also should be mentioned.)</i></b>	



V.	<b>Any other explanation / information in regard to items I to III and other information considered relevant for judging fit and proper</b>	
<p><b>Undertaking</b></p> <p>I confirm that the above information is to the best of my knowledge and belief true and complete. I undertake to keep the HFC fully informed, as soon as possible, of all events which take place subsequent to my appointment which are relevant to the information provided above.</p> <p>I also undertake to execute the deed of covenant required to be executed by all Directors of the HFC.</p> <p><b>Place :</b> <span style="float: right;"><b>Signature</b></span></p> <p><b>Date :</b></p>		
VI.	<b>Remarks of Chairman of Nomination Committee / Board of Directors of HFC</b>	
<p><b>Place :</b> <span style="float: right;"><b>Signature</b></span></p> <p><b>Date :</b></p>		

**Annexure B**

To,  
**The Board of Directors**  
\_\_\_\_\_ **Limited**  
(Address)

Dear Sir(s)/Madam,

**Sub.: Declaration by Independent Director**

I, \_\_\_\_\_, Independent Director of Shriram Housing Finance Limited ("Company"), hereby confirm and declare that I meet all the following criteria of Independent Director as prescribed under Section 149(6) of the Companies Act, 2013:

- a. I am a person of integrity and possess relevant expertise and experience;
- b. I have registered my name in the data bank maintained by the 'Indian Institute of Corporate Affairs' (IICA) for life-time;
- c. (i) I am not a promoter of the Company or its holding, subsidiary or associate company;  
(ii) I am not related to promoters or directors in the Company, its holding, subsidiary or associate company;
- d. I have no pecuniary relationship other than receiving sitting fees as such director or having transaction not exceeding ten percent of the total income or such amount as may be prescribed, with the Company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- e. None of my relatives –
  - i. are holding any security of or interest in the Company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year:  
Provided that the my relatives may hold security or interest in the Company of face value not exceeding fifty lakh rupees or two per cent of the paid-up capital of the Company, its holding, subsidiary or associate company or such higher sum as may be prescribed;
  - ii. are indebted to the Company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;
  - iii. have given a guarantee or provided any security in connection with the indebtedness of any third person to the Company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;
  - iv. have any other pecuniary transaction or relationship with the Company, or its subsidiary, or its holding or associate company amounting to two per cent or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);
- f. Neither me nor any of my relatives-
  - (i) hold the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate company in any of the three financial years in which I was appointed;

- (ii) are an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which I was appointed, of—
  - A. a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company; or
  - B. any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to ten percent or more of the gross turnover of such firm;
- (iii) hold together two per cent or more of the total voting power of the Company; or
- (iv) is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five percent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two percent or more of the total voting power of the Company; or
- g. I am not a non-independent director of another company on the Board of which any non-independent director of the listed entity is an independent director;
- h. I, do possess such other qualifications as may be prescribed.

Thanking you.

**(Name)**  
**Independent Director**  
**DIN:**

**Date:**  
**Place:**