

VIVA HOME FINANCE LIMITED

INTERNAL GUIDELINES ON CORPORATE GOVERNANCE : 35

Version	Authority	Date of Approval
V. 01	Board	9th May 2025

1. INTRODUCTION:

The Board of Directors of the Company at their meeting held on 9th May, 2025, have approved and adopted the Internal Guidelines on Corporate Governance in terms with direction issued by Reserve Bank of India (RBI) vide notification No. RBI/2020-21/73 DOR.FIN.HFC.CC.NO. 120/03.10.136/2020-21 dated 17/02/2021 and thereafter amended time to time, last being on 10/10/2024, Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016, which, inter-alia, requires every Housing Finance Company (HFC) to frame “Internal guidelines on Corporate Governance”.

2. COMPANY PHILOSOPHY:

Corporate Governance is a practice that aims to meet Stakeholders aspirations and social expectations. It provides a framework for obtaining Company’s objectives.

We at VIVA HOME FINANCE LIMITED believe that Corporate Governance is a key element in providing efficiency, growth and building stakeholder confidence. The Company believes in ethical values to achieve high standard of Corporate Governance and continues to strive for excellence in business operations through transparency, accountability to its stakeholders, Reserve Bank of India (RBI), National Housing Bank (NHB) and others who deal with us.

3. BOARD OF DIRECTORS:

3.1 Composition:

The Board shall have minimum three directors and a maximum of fifteen directors or such other limit as may be prescribed under the applicable provisions of Companies Act, 2013 and Articles of Association of the Company.

The Board of Directors shall have minimum of two Independent Directors as prescribed under the applicable provisions of Companies Act, 2013

In Compliance with Section 165 of the Companies Act, 2013 (‘the Act’), a Director shall not hold the office of a director in more than 20 companies. Provided that the maximum number of public companies in which a person can be appointed as a director shall not exceed 10.

3.2 Meetings:

Meetings of the Board of Directors shall be held minimum of four times a year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board. The Board shall meet at least once every financial quarter as per Applicable Law and shall have additional meetings as often as deemed necessary.

The Company shall observe secretarial standards with respect to General/Board Meetings and Committee Meetings specified by the Companies Act and Institute of Company Secretaries of India.



3.3 Appointment, Disclosures and Duties:

1. Director(s) shall be appointed as per the applicable provisions of the Act and rules made there under.
2. A person proposed to be appointed as a Director shall be assessed on fit and proper policy formulated in compliance with RBI Corporate Governance Directions. The person considered to be appointed as a Director should also possess relevant expertise which will help the person to act objectively and constructively.
3. Upon appointment, the Director shall execute a Deed of covenant with the Company as per the format prescribed under the fit and proper policy of the Company formulated in compliance with RBI Corporate Governance Directions.
4. The Company shall upon appointment of an Independent Director, issue a formal letter of appointment outlining his/her terms of appointment, role, responsibilities, duties. etc.
5. The appointment/re-appointment and the remuneration payable to the Director(s) shall be reviewed by the Nomination and Remuneration Committee and recommended to the Board for approval.
6. The Independent Directors shall be paid fixed Remuneration and other expenses incurred for attending the Board/ Meetings eg. Travelling /lodging.
7. The day-to-day operations of the Company will be looked after by the Managing Director under the overall superintendence, guidance, and control of the Board. He will be assisted by senior officers with well-defined responsibilities.

4. COMMITTEES:

The Board has constituted various committees to deal with specific matters for different functional areas. The Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Asset Liability Management Committee in accordance with the provision of companies Act, 2013 and directions issues by RBI as applicable for 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.

The Minutes of the Board level Committee(s) are placed before Board time to time for its perusal, discussion and noting.

4.1 Risk Management Committee:

The Risk Management Committee is constituted as per Master Direction of RBI vide circular No. DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dt. 17.02.2021 under chapter IX of Corporate Governance.". The details of Risk Management Committee are as under:

Composition	The Risk Management Committee shall consist of a minimum of three members.
-------------	--



Chief Compliance Officer	The Chief Compliance Officer of the Company shall act as the Secretary to the Committee.
Meetings and Quorum	The Committee shall meet as and when necessary to review and monitor the risk associated with business of the Company. The quorum shall be at least two members.
Terms of reference	The Risk Management Committee shall act in accordance with the terms of reference specified in writing by the Board which shall inter alia, include:
	<ul style="list-style-type: none"> a) To identify the areas of risks as also various types of risks involved in the business. b) To suggest the method to measure / quantify the risks. c) To control and mitigate various types of risks involved. d) To specify the risk bearing capacity of the HFC. e) To ensure regulatory compliance on risk management and prudential norms sets by RBI/NHB / Government. f) To improve the assets quality of the HFC by using the risk management techniques. g) To maximize the profit of the HFC. h) To maximize the return on equity with an acceptable level of risk, for the purpose of protecting, preserving and increasing the net worth of the HFC.

4.2 Audit Committee:

The Audit Committee is constituted as per section 177 of the Companies Act 2013 and as per the Master Direction of RBI vide circular No. DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dt. 17.02.2021 under chapter IX of Corporate Governance.” The details of Audit Committee are as under:

Composition	The Audit Committee shall consist of a minimum of three directors with independent directors forming a majority. Majority of members of Audit Committee including its Chairperson must have the ability to read and understand the financial statement.
Internal Audit In-charge	The Internal Audit In-charge of the Company shall act as the Secretary to the Committee.
Meetings and Quorum	The Committees shall meet as often as necessary.



	The quorum for audit committee meeting fixed by Board is minimum presence of 2 directors out of which 1 should be ID.
Terms of reference	The terms of reference of Audit Committee are as under:
	<ul style="list-style-type: none"> a) the recommendation for appointment, remuneration and terms of appointment of auditors of the company; b) review and monitor the auditor's independence and performance, and effectiveness of audit process; c) examination of the financial statement and the auditors' report thereon; d) approval or any subsequent modification of transactions of the company with related parties; e) scrutiny of inter-corporate loans and investments; f) valuation of undertakings or assets of the company, wherever it is necessary; g) evaluation of internal financial controls and risk management systems; h) monitoring the end use of funds raised through public offers and related matters.

4.3 Nomination and Remuneration Committee:

The Nomination and Remuneration Committee is constituted as per 178 of the Companies Act 2013 and as per the Master Direction of RBI vide circular No. DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dt. 17.02.2021 under chapter IX of Corporate Governance.” The details of Nomination and Remuneration Committee are as under:

Composition	<ul style="list-style-type: none"> • The Nomination and Remuneration shall comprise of at least three (3) Directors, with at least two Independent Directors. • The Chairman of the Committee shall be an Independent Director. • In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as the Chairman. • The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and any other applicable statutory requirement.
Chief Compliance Officer	The Chief Compliance Officer of the Company shall act as the Secretary to the Committee.



Meetings and Quorum	The meeting of the Committee shall be held at least once in a year. Quorum for the meeting shall be presence of 2 directors out of which 1 should be Independent Director.
Terms of reference	The terms of reference of Nomination and Remuneration Committee are as under:
	<ul style="list-style-type: none"> a) To recommend to the Board the appointment and removal of Directors, Key Managerial Personnel and Senior Management. b) To recommend to the Board the Remuneration payable to the Directors, Key Managerial Personnel and Senior Management personnel. c) To formulate a criteria for determining qualifications, positive attributes and independence of a Director and to recommend to the Board the Policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management. d) Formulate criteria for evaluation of the Independent Directors and the Board. e) To carry out evaluation of every Director's performance. f) Ensure that level and composition of remuneration is reasonable and sufficient, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks. g) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage. h) Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy. i) To perform such other functions as may be necessary or appropriate for the performance of its duties. j) To ensure 'fit and proper' status of proposed/ existing directors



4.4 Asset Liability Management Committee:

The Asset Liability Management Committee is constituted as per the requirements of as per the Master Direction of RBI vide circular No. DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dt. 17.02.2021. The committee shall lay down policies and quantitative limits relating to assets and liabilities and periodically monitor Asset-Liability management. The details of Committee are here under:

Composition	Asset Liability Management Committee shall comprise of minimum 2 members.
Chief Compliance Officer	The Chief Compliance Officer of the Company shall act as the Secretary to the Committee.
Meetings and Quorum	The Committee shall meet at least once in every quarter. Quorum for the meeting shall be presence of 2 members.
Terms of reference	The terms of reference of Asset Liability Management Committee are as under:
	The committee shall lay down policies and quantitative limits relating to assets and liabilities and periodically monitor Asset- Liability management.

5 POLICIES FORMULATED BY THE COMPANY:

Various Policies have been formulated by the Company in compliance with the provisions of the Companies Act, 2013 and other applicable laws and/ or as a matter of Good Corporate Governance Practices. Some of the important Policies are as under:

1. Accounting Policy
2. ALM Policy
3. CSR Policy
4. Remuneration Policy (A)
5. Documentation Policy
6. ESOP-NA
7. Grievance Redressal Mechanism/Policy
8. Guidelines for DSAs
9. Guidelines for Recovery Agents
10. HR Policy/ies
11. Lending / Credit Policy
12. Fair Practices Code
13. Information Technology Policy
14. Information Security Policy
15. Investment Policy
16. KYC & AML Policy
17. Most Important Terms & Conditions (MITC)



18. Outsourcing Policy
19. Risk Management Policy
20. Nomination and Remuneration Policy (B)
21. Legal Policy
22. Technical Policy
23. Construction Policy
24. Policy of Moratorium and Deferment
25. OTR Restructuring Policy
26. Fit & Proper Criteria Policy
27. Compliance Management Policy
28. Policy on Related Party Transactions
29. Policy on POSH at Work Place
30. Policy for Outsourcing of Information Technology Services
31. Interest Rate Policy
32. Policy on Wilful Defaulter
33. Fraud & Risk Management Policy
34. Policy on Sanction of Staff Loan to the Employees

The policies adopted may be reviewed by the Board from time to time.

6 STATUTORY AUDITORS

The Board and the Audit Committee of the Company shall be responsible to appoint Statutory Auditors. 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. 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.

7 INTERNAL AUDITORS

The Board and the Audit Committee of the Company shall appoint the Internal Auditor to co-source the Internal Audit Function of the Company 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.



8 DISCLOSURES

- a. 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, Denture holders as may be required by the applicable laws and the codes/ Policies of the Company.
- b. 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 made on behalf of the Company are duly made to the Regulatory/ Statutory Authorities or such other persons as may be required under applicable laws / regulations.
- c. All HFCs shall put up to the Board of Directors, at regular intervals, as may be prescribed by the Board in this regard, the following:
 - d. the progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the HFC;
 - e. 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.
- f. All HFCs shall also disclose the following in their Annual Financial Statements:
 - i. registration/ license/ authorisation, by whatever name called, obtained from other financial sector regulators;
 - ii. ratings assigned by credit rating agencies and migration of ratings during the year;
 - iii. penalties, if any, levied by any regulator/ supervisor/ enforcement authority;
 - iv. information namely, area, country of operation and joint venture partners with regard to joint ventures and overseas subsidiaries; and
 - v. Asset-Liability profile, extent of financing of parent company products, NPAs and movement of NPAs, details of all off-balance sheet exposures, exposure to real estate, exposure to capital market, structured products issued by them as also securitization/ assignment transactions and other disclosures as may be prescribed

9 REVIEW

The Board of Directors of the Company reserves the right to add, amend, modify this CG Guidelines, as and when it deems appropriate.

