

**Corporate Governance Guidelines**  
**(Version 1.1 adopted on 27 July, 2023)**

Aditya Birla Housing Finance Limited believes that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics. The Company places great emphasis on values such as empowerment and integrity of its employees, safety of the employees & communities surrounding our plants, transparency in decision making process, fair & ethical dealings with all and accountability to all the stakeholders.

**Guidelines on Corporate Governance by Reserve Bank of India (RBI) / Master Direction**

In terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by the Reserve Bank of India, as amended from time to time, (“Directions”), housing finance companies are required to frame their internal guidelines on corporate governance with the approval of Board of Directors. The Company shall ensure compliance with and implementation of provisions prescribed in the Directions. In pursuance of the aforesaid Directions, the Company has framed the following internal Guidelines on Corporate Governance.

**Objective of the Guidelines**

The following are the objectives of the aforesaid guidelines:

- a. Greater transparency enabling stakeholders in having a better understanding.
- b. Building investors’ confidence in the company.
- c. Adopt best practices.

**Board of Directors (“Board”)**

The Directors of the Company are responsible to set strategic objectives for the management and to ensure that the long term interests of all stakeholders are served by adhering to and enforcing the principles of sound corporate governance.

The role of the Board is to determine the overall strategic direction and management of the Company, including monitoring its performance. The Board is responsible to the shareholders and its conduct is determined by various provisions of the laws and the Articles of Association of the Company.

The Company will comply with the provisions of the Companies Act 2013 and with the applicable laws with respect to constitution and functioning of the Board of Directors. In performing its duties, the Board meets regularly and act in the best interests of the Company including its shareholders, employees, customers and creditors.

The Board shall ensure that it monitors the progress made in putting place a progressive risk management system and strategy followed by the Company. It shall also confirm with corporate governance standards followed by the Company.

### **Disclosure and transparency:**

The minimum information to be statutorily made available to the Board shall be furnished to the Directors. The following information shall be put in front of the Board of Directors at regular intervals:

- a. Minutes/proceedings of various committees
- b. Related Party Transactions, Financial Results, Disclosures received from Directors, compliance certifications from function heads.
- c. Business updates from time to time
- d. Regulatory updates Disclosures in Financial Statements

### **Constitution of various Committees**

With the objective of attaining accountability, transparency and fairness, the Board in exercise of its powers has set out clear roles and responsibilities, including those powers, which the Board wishes to exercise by itself or through a formally constituted committees to ensure the good governance.

The Board of Directors have constituted following Committees:

- a. Audit Committee
- b. Nomination and Remuneration Committee
- c. Stakeholders' Relationship Committee
- d. Corporate Social Responsibility Committee
- e. Risk Management Committee
- f. Asset Liability Management Committee
- g. Information Technology Strategy Committee

The Committees constituted by the Board will focus effectively on the issues and ensure expedient resolution of the matters entrusted. The Committees shall operate as empowered agents of the Board as per their terms of reference. The minutes of the meetings of all Committees of the Board shall be placed before the Board for discussions / noting.

### **Policies**

In addition to constitution of various committees, various policies have been framed and adopted by the Board to ensure smooth and transparent working of the Company including but not limited to

- a. Code of Conduct
- b. Fair Practices Code
- c. Know Your Customer (KYC) & Prevention of Money Laundering Activity (PMLA) Policy
- d. Credit Policy
- e. Asset Liability Management Policy
- f. Investment Policy
- g. Related Party Transactions Policy
- h. Executive Remuneration Policy
- i. Record Retention Policy

The policies will be reviewed, from time to time, to ensure compliance and also reflects the changes in the regulations/ corporate governance environment.