CLIX HOUSING FINANCE LIMITED

CORPORATE GOVERNANCE POLICY

Approved by: The Board of Directors

Issue Date: 28-Jun-2019
Effective Date: 27-May-2026
Current Review Date: 27-May-2026
Last Review Date: 19-Mar-2025, 27-May-2024, 26-May-2023

Policy Owner: Secretarial
Policy Contact: Company Secretary

Version: 1.0 of 2026

I. PURPOSE / OBJECTIVE

Clix Housing Finance Limited (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 effective policies and procedures, which are mandated and regularly reviewed by the Board / the committees of the members of the Board.

The objective of this Policy is to ensure compliance with all applicable laws in India and set standards for Business Governance / Conduct so that concerned officers act in accordance with the highest standards of governance while working for and on behalf of the Company. All the concerned are expected to read and understand the guidelines contained herein, to uphold these standards in day-to-day activities and comply with this Policy.

The purpose of this Policy is to provide internal guidelines on Corporate Governance and has been framed in accordance with the directions issued by the Reserve Bank of India ("RBI") & National Housing Bank ("NHB") in this regard.

II. BOARD OF DIRECTORS

The Board shall exercise its business judgment to act, in what they reasonably believe to be, in the best interests of the Company and its shareholders. The Board of Directors along with its constituted Committees shall provide direction and guidance to the Company's Leadership Team and further direct, supervise as well as review the performance of the Company.

The Board is responsible for overall compliance with the Corporate Governance of the Company and oversees the business affairs. Further, the Board has a vital role to play in the matters relating to policy formulation, implementation and strategic issues which are crucial for the long term development of the organization.

All Board members and senior management personnel shall abide by all Compliance Polices of the Company.

Size of Board: As per Article of Association of the Company, the Board shall consist of minimum 3 Directors and maximum 15 Directors.

Board Composition: The Company's Board shall have an optimum combination of executive and non-executive directors in line with the requirements of the provisions of the Companies Act, 2013 and Articles of Association of the Company, as amended from time to time.

The Board shall periodically review the compliances of all applicable laws in the Company as well as steps taken by the Company to rectify the instances of non-compliance, if any.

The Board shall meet at least once in every calendar quarter, with a maximum interval of one hundred and twenty (120) days between any two consecutive Meetings of the Board, such that at least four Meetings are held in each Calendar Year.

III. COMMITTEES OF THE BOARD

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board of Directors of the Company shall constitute a set of Committees with specific terms of reference / scope. The Committees shall operate as per the guidelines approved by the Board. The minutes of the meetings of all Committees of the Board and meetings of the Board of Directors of the Company shall be shared with the Directors/ Committee Members for approval within 15 days of the Meeting and be signed by the chairman within 30 days of the conclusion of the meeting or in the subsequent meeting.

The Board has formed the following Committees:

A. Audit Committee
B. Nomination and Remuneration Committee
C. Risk Management Committee
D. Asset Liability Committee
E. IT Strategy Committee
F. Identification Committee
G. Review Committee
H. Special Committee for Monitoring and Follow-up of cases of Frauds
I. New Product Committee
J. Customer Service Committee

The composition and responsibilities of the Committees, as may be modified by the Board of Directors of the Company from time to time, shall be as follows:

A. Audit Committee: The Company shall have a Committee of Board known as 'Audit Committee', which shall be constituted and function as follows:

a) Membership – The committee shall consist of not less than 3 members of its Board of Directors.
b) Quorum - Quorum for the Audit Committee shall be one-third of its total strength or 2 members, whichever is higher and the participation of the members by video conferencing or by other audio-visual means shall be counted for the purposes of quorum.
c) Frequency of meetings – The Committee shall meet from time to time as necessary to accomplish its purpose and duties.
d) Role of Audit Committee – The Audit Committee plays a key role, standing at the intersection of management, independent auditors, internal auditors, and the Board of directors. The Audit Committee shall act in accordance with the terms of reference specified in writing by the Board, which shall, inter alia, include:
   (i) the recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

(ii) review and monitor the auditor's independence and performance, and effectiveness of audit process;
(iii) examination of the financial statement and the auditors' report thereon;
(iv) approval or any subsequent modification of transactions of the Company with related parties;
(v) scrutiny of inter-corporate loans and investments;
(vi) valuation of undertakings or assets of the Company, wherever it is necessary;
(vii) evaluation of internal financial controls and risk management systems;
(viii) monitoring the end use of funds raised through public offers and related matters;
(ix) supervising the vigil mechanism of the Company for addressing concerns raised by any employee;
(x) Ensuring that Information Systems Audit of the internal systems and processes of the Company is conducted at least once in two years to assess operational risks faced by the Company.

Powers of the Audit Committee: The Audit Committee shall have the same powers, functions and duties as laid down in Section 177 of the Companies Act, 2013, as amended from time to time.

B. Nomination and Remuneration Committee: The Company shall at all times have a Committee of Board known as 'Nomination and Remuneration Committee', which shall be constituted and function as follows:

a. Membership – The Committee shall consist of not less than 3 members of its Board of Directors.
b. Quorum – Quorum for the Nomination and Remuneration Committee shall be one-third of its total strength or 2 members , whichever is higher and the participation of the members by video conferencing or by other audio-visual means shall be counted for the purposes of quorum.
c. Frequency of Meeting –. The Committee shall also meet from time to time as necessary to accomplish its purpose and duties.

d. Role of Nomination and Remuneration Committee: The Nomination and Remuneration Committee shall, inter alia, carry the following functions:
   i. Identify persons to become Directors / senior management and recommend to the Board their appointment and removal.
   ii. Evaluation of performance of Board, its committees and individual Directors to be carried out either by the Board.
   iii. Recommend to the board, all remuneration, in whatever form, payable to senior management.
   iv. Ensure that all the proposed and existing Directors of the Company fulfil the "fit and proper" criteria as specified under the applicable laws.
   v. To review and implement Fit and Proper Criteria for directors Policy.

Powers of the Nomination and Remuneration Committee: The Committee shall have the same powers, functions and duties as laid down in Section 178 of the Companies Act, 2013, as amended from time to time.

C. Risk Management Committee: The Company shall at all times have a Committee of Board known as 'Risk Management Committee', which shall be constituted and function as follows:

a) Membership – The committee shall consist of not less than 3 members of its Board of Directors.

b) Quorum – Quorum for the Risk Management Committee shall be one-third of its total strength or 2 members , whichever is higher and the participation of the members by video conferencing or by other audio-visual means shall be counted for the purposes of quorum.

c) Frequency – This committee will meet on quarterly basis and as & when required to fulfil its duties.

d) Role of Risk Management Committee:

i. Evaluate the overall risks faced by the NBFC including liquidity risk and shall report to the Board.

ii. To lay down the guiding principles that aid-in enhancement of credit in consonance with the main business objectives of the Company and in compliance with the statutory and regulatory requirements/ guidelines.

iii. To adopt a prudent policy for management of credit risk to build and maintain a sound and well-diversified credit portfolio.

iv. To define principles for delegation of sanction powers to appropriate sanction authority on the basis of risk consideration

v. To facilitate effective credit monitoring and mitigation practices across the company

vi. To establish the minimum standards for security charge creation and documentation

vii. To ensure consistent classification of assets, including non-performing assets, ensuring adequate provisioning in line with regulatory norms and management of problem accounts

Powers of the Risk Management Committee: The Committee shall have the same powers, functions and duties as provided in Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025,as amended from time to time.

D. Asset Liability Committee ("ALCO"): The Company shall at all times have a Committee of Board known as 'Asset Liability Committee', which shall be constituted and function as follows:

a) Membership – The committee shall consist of minimum 3 members. The Chiefs of Investment, Credit, Resource Management or Planning, Funds Management/ Treasury (forex and domestic), Economic Research may be members of the Committee.

b) Chairperson- The CEO/ MD or the Executive Director (ED) should head the Committee.

c) Frequency – ALCO would meet at least once a quarter and the ALCO members may participate either in person or by telephonic call or by video conferencing or by other audio-visual means. The Committee shall meet from time to time as necessary to accomplish its purpose and duties.

d) Role of ALCO:

i. Manage ALM Risks consistent with local regulatory requirements and internal risk tolerance established by this Policy

ii. Report to the Board of Directors compliance with this Policy

iii. Review and decide on ALM mix in light of future business strategy and current market conditions

iv. Review all Policy exceptions and request for approval presented to the Board, and corrective action thereon.

v. Definition and review of the ALM policy, at least annually.

vi. Review the results of and progress made in the implementation of the decisions made in the previous meetings.

Powers of Asset Liability Management Committee: The Asset Liability Management Committee shall have the same powers, functions and duties as laid down in Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025, as amended from time to time.

E. IT Strategy Committee: The Company shall at all times have a Committee of Board known as 'IT Strategy Committee', which shall be constituted and function as follows:

a. Membership – Minimum of three directors as members who are technically competent.
b. Chairperson- The chairperson of this committee shall be a director/ Independent Director, if any, and have substantial IT expertise in managing/ guiding information technology initiatives.
c. Quorum – The quorum for IT Strategy Committee meeting shall either be two members or one third of the members of the Committee, whichever is greater and the participation of the members by video conferencing or by other audio-visual means shall be counted for the purposes of quorum.
d. Periodicity – The IT Strategy Committee shall meet at least on a quarterly basis.
e. Role of IT Strategy Committee:
    i. Ensure that the RE has put an effective IT strategic planning process in place;
    ii. Guide in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy of the RE towards accomplishment of its business objectives;
    iii. Satisfy itself that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives and unambiguous responsibilities for each level in the organisation;
    iv. Ensure that the RE has put in place processes for assessing and managing IT and cybersecurity risks;
    v. Ensure that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the RE's IT maturity, digital depth, threat environment and industry standards and are utilised in a manner intended for meeting the stated objectives; and
    vi. Review, at least on annual basis, the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the RE.

Powers of IT Strategy Committee: The IT Strategy Committee shall have the same powers, functions and duties as laid down in RBI Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices, as amended from time to time.

F. Identification Committee: The company shall all times have a Committee of Board known as 'Identification Committee', which shall be constituted and function as follows:

a. Membership – Identification Committee shall comprise two senior officials as members, not more than two ranks below the chairperson of the committee.
b. Chairperson- An official one rank below the MD/ CEO shall chair the identification committee.
c. Quorum – The quorum for Identification committee meeting shall either be two members or one third of the members of the Committee, whichever is greater and the participation of the members by video conferencing or by other audio-visual means shall be counted for the purposes of quorum.
d. Periodicity – The Identification committee shall meet, whenever there is a new case which needs to be presented to the committee,

e. Role of Identification Committee–The Identification Committee shall, inter alia, carry the following functions:
   i. Examine evidence of willful defaulter.
   ii. Issues show-cause notice to:
      - Borrower
      - Guarantor
      - Promoter
      - Director
      - Persons responsible for management
   iii. Provides 21 days for submissions from the date of show-cause notice.
   iv. Discloses all materials and information on which the show-cause notice is based.
   v. Review submissions from the parties
   vi. If satisfied with evidence, makes proposal to Review Committee for classification as willful defaulter
   vii. Provide written explanation for the classification proposal
   viii. Advise all concerned parties about the proposal to classify them as willful defaulters
   ix. If concludes that parties don't qualify for classification as willful defaulter, no need to refer to Review Committee

   Powers of Identification Committee: The Identification Committee shall have the same powers, functions and duties as mentioned in the Reserve Bank of India (Non-Banking Financial Companies – Treatment of Wilful Defaulters and Large Defaulters) Directions, 2025, and as amended, from time to time.

G. Review Committee: The Company shall at all times have a Committee of Board known as 'Review Committee', which shall be constituted and function as follows:

a. Membership – Review Committee shall comprise two independent directors or non-executive directors or equivalent officials serving as members.
b. Chairperson – The MD & CEO/ CEO or equivalent official shall be the chairperson of the Committee.
c. Quorum – The quorum for Review Committee meeting shall either be two members or one third of the members of the Committee, whichever is greater and the participation of the members by video conferencing or by other audio-visual means shall be counted for the purposes of quorum.
d. Periodicity- The Review committee shall meet, whenever required.
e) Role of Review Committee - The Review Committee shall, inter alia, carry the following functions:
   i. Consider proposals received from Identification Committee
   ii. Review written representations received from parties (within 15 days of Identification Committee's proposal)
   iii. Provide opportunity for personal hearing to:
      - Borrower
      - Guarantor
      - Promoter
      - Director
      - Person responsible for management
   iv Assess facts and material on record if personal hearing is not availed.
   v Review any written representations submitted.

vi Make final decision on willful defaulter classification.
vii Pass a reasoned order.
viii Ensure communication of the order to the willful defaulter

Powers of Review Committee- The Review Committee shall have the same powers, functions and duties as mentioned in the Reserve Bank of India (Non-Banking Financial Companies – Treatment of Wilful Defaulters and Large Defaulters) Directions, 2025, and as amended, from time to time.

H. Special Committee for Monitoring and Follow-up of cases of Frauds: The Company shall at all times have a Committee known as 'Special Committee for Monitoring and Follow-up of cases of Frauds', which shall be constituted and function as follows:

a. Membership – The committee shall have at least three members, one of whom shall be a Whole-time director.
b. Chairperson – The Whole-time director shall be the chairperson of the Committee.
c. Quorum – The quorum for Committee meeting shall either be two members or one third of the members of the Committee, whichever is greater and the participation of the members by video conferencing or by other audio-visual means shall be counted for the purposes of quorum.
d. Periodicity – The committee members shall meet as and when required.
e. Role of Committee – The Special Committee for Monitoring and Follow-up of cases of Frauds Committee shall, inter alia, carry the following functions:
   i) Oversee the effectiveness of fraud risk management.
   ii) Review and monitor cases of fraud, conduct root cause analysis, and suggest mitigating measures to strengthen internal controls and the risk management framework, thereby minimizing the incidence of frauds, periodicity as suggested by the Board.
   iii) Ensure the Senior Management implements the fraud risk management policy.
   iv) Conduct periodic reviews of incidents of fraud, which will be presented to the Board or Audit Committee of Board, by the senior management, as appropriate.
   v) Establish a transparent mechanism to ensure that the Whistle Blower complaints regarding possible fraud cases or suspicious activities in accounts are examined and concluded appropriately under the Whistle Blower Policy.
   vi) Set up an appropriate organizational structure for the institutionalization of fraud risk management within the overall risk management functions/department. A sufficiently senior official will be responsible for monitoring and reporting frauds.
   vii) Disclose the amount related to fraud reported in the company for the year in the Financial Statements – Notes to the Accounts.

Powers of Special Committee for Monitoring and Follow-up of cases of Frauds Committee- The Committee shall have the same powers, functions and duties as mentioned in the Master Directions on Fraud Risk Management in Non-Banking Financial Companies issued by Reserve Bank of India from time to time.

I. New Product Committee: The Company shall at all times have a Committee known as 'New Product Committee', which shall be constituted and function as follows:

a. Membership – New Product Committee shall comprise WTD, CXO (Head of Operations), CFO, CXO (Business Head of Product) & Chief Compliance Officer (CCO).

b. Quorum - The quorum for Committee meeting shall either be two members or one third of the members of the Committee, whichever is greater and the participation of the members by video conferencing or by other audio-visual means shall be counted for the purposes of quorum.
c. Periodicity- The committee members shall meet as and when required.
d. Role of Committee - The New Product Committee shall, inter alia, carry the following functions:
   i Identify, evaluate, and approve new financial products and services aligned with company's business strategy.
   ii. Ensure that new products comply with regulatory requirements, risk management standards, and the company's overall risk appetite.
   iii. Optimize product portfolio to meet customer needs and enhance profitability

Powers of New Product Committee- The Committee shall have the same powers, functions and duties as mentioned in the Notification issued by Reserve Bank of India 'Compliance Function and Role of Chief Compliance Officer (CCO) – NBFCs' and as amended/ modified by RBI from time to time.

J. Customer Service Committee: The Company shall at all times have a Committee of Board known as 'Customer Service Committee', which shall be constituted and function as follows:
a) Membership: The committee shall consist of not less than 3 members
b) Quorum: The quorum for Meetings of the Customer Service Committee shall be one third of the members of the Committee or two members, whichever is higher
c) Periodicity: The Company shall conduct meetings of Customer Service Committee on half yearly basis.
d) Role of the Customer Service Committee:
   i. To ensure complaints need to be addressed by them on an urgent basis.
   ii. To ensure that a structured process of complaint redressal is in place.
   iii. To approve and review the Standard Operating Procedure (SOP) formulated by entity and establish a fully automated Complaints Management Software.

Powers of Customer Service Committee: The Customer Service Committee shall have the same powers, functions and duties as laid down for Consumer Protection Committee in Reserve Bank of India (Non-Banking Financial Companies – Credit Information Reporting) Directions, 2025, as amended from time to time.

IV. DISCLOSURE AND TRANSPARENCY:

1. Reporting: For every quarter, following reports shall be put before the Board of directors in its Board Meeting:
2. Disclosures: The Company shall disclose the following in its Annual Financial Statements:
a) registration/ licence/ authorisation, by whatever name called, obtained from other financial sector regulators;
b) ratings assigned by credit rating agencies and migration of ratings during the year;
a) penalties, if any, levied by any regulator;
b) information regarding name, area, country of operation and joint venture partners with regard to Joint ventures and overseas subsidiaries; and

Asset-Liability profile, extent of financing of parent company products, NPAs and movement of NPAs, details of all off-balance sheet exposures, structured products issued by them as also securitization/ assignment transactions and other disclosures, as prescribed under applicable regulations.

V. AMENDMENTS TO THE POLICY

The Board of Directors of the Company shall review on annual basis and may amend this Policy from time to time.

Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Companies Act, 2013 and notifications issued by the Reserve Bank of India on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.