



Nestavia Home Finance Private Limited

(“Nestavia” or “Company”)



Internal Guidelines on Corporate Governance

Name of the Policy: INTERNAL GUIDELINES ON CORPORATE GOVERNANCE

Policy Number: ICGG-03/2026

PREAMBLE

Nestavia Home Finance Private Limited (hereinafter referred to as “Nestavia” or "the Company") is committed to upholding the highest standards of corporate governance to ensure transparency, accountability, and fairness in all its dealings. These guidelines are designed to outline the principles and practices that govern the functioning of the Board of Directors and the overall governance framework at the Company.

Corporate governance forms the foundation for long-term value creation and ensures that the Company operates in a manner that meets the expectations of all stakeholders, including shareholders, customers, employees, and regulatory bodies.

This Internal Guidelines on Corporate Governance is aligned with the applicable provisions of the Companies Act, 2013, the Reserve Bank of India (Housing Finance Companies) Directions, 2025, Reserve Bank of India (NBFCs – Governance) Directions, 2025 and other applicable regulations & guidelines of RBI & NHB, the Securities and Exchange Board of India (SEBI) Regulations, and other relevant laws governing corporate governance in India.

Prepared and Proposed By	Company Secretary and Compliance Officer
Reviewed and Recommended By	Managing Director & CEO
Approved By	Board of Directors
Date of Approval	30-Apr-2026

RESPONSIBILITY ASSIGNMENT MATRIX

Responsibility for Implementation	Company Secretary and Compliance Officer
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VERSION CONTROL

Version No.	Date of Approval by Board of Directors	Key Highlights/Changes
1.0	24-Nov-2024	Roll-out of policy
2.0	23-Apr-2025	Updated upon Annual review
3.0	30-Apr-2026	Updated upon Annual review and renamed in line with RBI Regulations

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1. Objectives

The key objectives of these guidelines are to:

- Ensure effective governance structures and processes.
 - Promote transparency, accountability, and ethical business conduct.
 - Safeguard the interests of stakeholders and promote long-term shareholder value.
 - Ensure compliance with all relevant statutory and regulatory requirements.
 - Establish roles, responsibilities, and powers of the Board and its committees.
 - Promote a culture of responsible decision-making.
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2. Scope and applicability

Internal Guidelines on Corporate Governance ('Guidelines') envisages adherence to the highest levels of accountability, transparency and fairness in all areas of its operations and interactions with its stakeholders. These guidelines provide the overall framework for the Senior Management team of the Company highlighting their responsibilities, authority and administration

These guidelines are framed pursuant to the Reserve Bank of India (Housing Finance Companies) Direction, 2025 in compliance with the provisions of Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025, as amended from time to time.

These guidelines apply to the Senior Management team and the Board of Directors of **Nestavia Home Finance Private Limited**.

3. Governance Framework

The governance framework of **Nestavia Home Finance Private Limited** is designed to ensure the highest standards of business conduct, regulatory compliance, and risk management. The framework includes:

- An eminent **Board of Directors** with clear roles and responsibilities.
 - A set of well-defined **Board Committees** to manage specific areas of governance.
 - **Internal control systems** that support transparent and effective operations.
 - Mechanisms for **stakeholder communication** and grievance redressal.
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4. Board of Directors

The **Board of Directors** plays a critical role in overseeing the governance and management of the Company. It ensures that the Company's operations are conducted in a transparent, ethical, and legal manner.

4.1 Composition and Structure

- The **Board of Directors** shall consist of qualified and experienced individuals with the necessary skills, expertise, and independence to oversee the Company's affairs.
- The Board should have an optimum combination of **executive**, non-executive and **independent** directors with considerable number of Directors having relevant work experience in Financial Services industry.
- The number of independent directors shall be determined based on the regulatory requirements and the specific needs of the Company.
- The **Chairperson** of the Board may be an independent director or an executive director, as decided by the Board.
- The Board should be diverse in terms of gender, experience, and background, contributing to varied perspectives in decision-making.
- It shall be ensured that each Director of the Company is eligible for appointment on the Board as per the Companies Act, 2013 ("Act"), RBI Directions, as amended from time to time, and other applicable laws and also meets the Fit & Proper criteria prescribed in the policy of Fit & Proper Criteria for Directors as adopted by the Company in line with the RBI Directions.

4.2 Board Independence

- The Company will ensure that the **independent directors** provide unbiased, independent judgment in the Board's decision-making process and adhere to the standards and fulfil their responsibilities as set out in Schedule IV to the Companies Act, 2013.
- Within the permissible limits in terms of Companies Act, 2013, an independent director shall not be on the Board of more than three NBFCs (NBFCs-Middle Layer or NBFCs-Upper Layer) at the same time.
- Independent directors will not have any material relationship with the Company, its promoters, or management that could affect their independence.
- The independence of directors shall be assessed annually, and the necessary disclosures will be made in the Company's annual report.
- All the Independent Directors will hold one meeting in a financial year, without the presence of non-independent directors and members of the management to review the performance of non-independent directors and the board of directors as a whole.

4.3 Board Meetings

- Meetings of the Board will be convened in advance with adequate notice in compliance with the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) and relevant materials will be provided to directors to facilitate informed discussions.
- The Board will meet to exercise its powers conferred under Section 179 of the Companies Act, 2013 to be read with Rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014 and at other times as necessary to address urgent matters or as required by law, in accordance with the procedures as laid down in the said rules.

4.4 Role and Responsibilities

The Board of Directors is responsible for:

- Approving and overseeing the Company's business strategy, financial performance, and risk management framework.
- Approving the annual budget, financial statements, and major business decisions.
- Ensuring compliance with applicable laws, regulations, and corporate governance standards.
- Reviewing the performance of senior management and appointing key executives.
- Ensuring the protection of stakeholders' interests, including shareholders, employees, and customers.
- Providing required Board disclosures, declarations and undertakings as per the provisions of Companies Act, 2013 and RBI regulations.
- Providing necessary disclosures as required under the provisions of Companies Act, 2013 and RBI Directions as amended from time to time and executing the Deed of Covenant as per the format prescribed under RBI Master Directions.

4.5 Annual Evaluation of Board

There will be annual evaluation of Board through its Nomination & Remuneration Committee and Independent Directors, of its own performance, its committees, the chairperson of the company and individual directors as set out in the provisions of Companies act, 2013, the rules made thereunder and other applicable RBI regulations.

5. Board and Management Committees

To enhance governance, the Board has established several key committees that focus on specific areas of governance. These committees of the Board function with clearly defined roles, responsibilities, and mandates.

Board Committees are as follows:

5.A.1 Audit Committee

- The Audit Committee is responsible for overseeing the integrity of the Company's financial reporting and ensuring compliance with accounting standards.
- Key functions include reviewing the financial statements, internal audits, and external auditors' reports.
- The Audit Committee will be comprised of at least three directors, the majority of whom must be independent.
- The Audit Committee constituted under the M Reserve Bank of India (Housing Finance Company) Directions, 2025, as amended from time to time, shall have the same powers, functions and duties as laid down in Section 177 of the Companies Act, 2013.

5.A.2 Nomination and Remuneration Committee (NRC)

- The NRC is responsible for identifying and recommending individuals for appointment as directors and key executives as per the criteria laid down under Policy on Recruitment & Hiring and Policy on Fit and Proper Criteria for Directors, ensuring that the Company has the appropriate leadership and talent.
- The committee will also set and review the remuneration policies for directors, senior management, and employees.
- The NRC ensures that the remuneration policies are in line with the Company's objectives, performance standards and requirements under the Reserve Bank of India (Housing Finance Company) Directions, 2025, as amended from time to time.
- The NRC constituted under the Reserve Bank of India (Housing Finance Company) Directions, 2025, as amended from time to time, shall have the same powers, functions and duties as laid down in Section 178 of the Companies Act, 2013.

5.A.3 Risk Management Committee

- The Risk Management Committee is tasked with overseeing the Company's overall risk management processes, ensuring that risks are effectively identified, assessed, and managed.
- The committee reviews the risk management framework, risk mitigation strategies, and the Company's exposure to various financial and operational risks.
- The committee will consist of a mix of executive directors and independent directors, with expertise in risk management.

5.A.4 IT Strategy Committee:

- The IT Strategy Committee is responsible for ensuring that the Company has effectively put in place IT Strategic planning process in alignment with the Company's overall strategy towards achieving its business objectives.
- The Committee will ensure to have in place processes for assessing and managing IT and cybersecurity risks.

- The committee will review the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the Company.

Management Committees are as follows:

5.B.1 Management Committee (MANCO)

Management Committee shall meet periodically to discuss on the priorities of the Company and review the critical issues faced by different departments to facilitate action articulation and to align to the goals of the Company.

Senior Management Team and Key Managerial personnels shall constitute the Management Committee. Quorum for a meeting of the Committee shall be minimum of any three members. Managing Director and Chief Executive Officer would have the powers to add or delete and invite members into Management Committee.

5.B.2 Asset Liability Management Committee (ALCO)

The Asset Liability Management Committee (ALCO) is responsible for integrated balance-sheet management from the risk-return perspective including the strategic management of interest-rate and liquidity risks and credit risks within the parameters set by the Board and/or regulatory guidelines. The Constitution, roles and responsibilities, management have been provided in detail in the ALM policy document of the Company and Terms of Reference of the Committee.

5.B.3 IT Steering Committee

IT Steering Committee comprising the senior management personnels from IT and business functions will assist the IT Strategy Committee in strategic IT planning, oversight of IT performance, and aligning IT activities with business needs. It also ensures the implementation of a robust IT architecture meeting statutory and regulatory compliance. It is primarily responsible for the execution of IT Strategy approved by the Board and creating a culture of IT risk awareness and cyber hygiene practices in the Company.

5.B.4 Information Security Committee (ISC):

The Information Security Committee will be, under the oversight of the IT Steering Committee, formed for managing cyber/ information security. The Chief Information Security Officer, if applicable, and other representatives from business and IT functions, etc. shall ensure the development of information/ cyber security policies, implementation of policies, standards and procedures to ensure that all identified risks are managed. The committee will review cyber incidents, information systems audit observations, monitoring and mitigation activities.

6. Board Policies

The Board of Directors of the company shall formulate various policies / guidelines as applicable under the provisions of the Companies Act, 2013 and rules made thereunder and various circular(s), notification(s) and directions issued by the Reserve Bank of India, National Housing Bank, SEBI etc.

7. Compensation of KMP and Senior Management

The Company will address issues arising out of excessive risk taking caused by misaligned compensation packages and ensure to adhere to the Remuneration Policy of the Company, as reviewed and updated from time to time. The Nomination & Remuneration Committee of the Board shall work in coordination with the Risk Management Committee to achieve effective alignment between compensation and risks.

8. Financial Reporting and Disclosure

- The Company will maintain the highest standards of financial reporting, ensuring accuracy, completeness, and transparency in the financial statements.
 - Financial reports will be prepared in accordance with the applicable accounting standards, and they will be audited by independent auditors.
 - The Company will disclose all material information that may affect its financial position or operations, in line with regulatory requirements and industry best practices.
 - The Company will submit to its Board of Directors at periodic intervals, as may be prescribed by the Board in this regard, reports required under various RBI Directions, as amended from time to time, including but not limited to RBI (Housing Finance Companies) Directions, 2025, RBI (NBFCs-Governance) Directions, 2025, RBI (NBFCs-Responsible Business Conduct) Directions, 2025, RBI (NBFCs-Know Your Customer) Directions, 2025, RBI (NBFCs-Managing Risk in Outsourcing) Directions, 2025, etc.
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9. Risk Management and Internal Controls

- The Company is committed to a proactive approach to risk management, with an emphasis on identifying, assessing, and mitigating risks that may affect the Company's business operations.
 - The **Risk Management Committee** will oversee the implementation of a comprehensive risk management framework that includes financial, operational, regulatory, and reputational risks.
 - The Company will maintain robust internal controls to safeguard assets, ensure the accuracy of financial reporting, and prevent fraud.
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10. Shareholders' Rights and Communication

- The Company will respect the rights of its shareholders and ensure that they have access to relevant and timely information.

- The Company will maintain open lines of communication with shareholders through annual reports, meetings, and other communication channels.
 - Shareholders will be encouraged to participate in all General Meetings (AGM and EGM) and will be provided with an opportunity to express their views and ask questions about the Company's performance and governance.
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11. Customer Complaints & Grievance Redressal

The Company will have a system and a procedure for receiving, registering and disposing of complaints and grievances of all its stakeholders especially from customers including those received on-line as per the Grievance Redressal Mechanism set out in the Company's Fair Practice Code. The Redressal Mechanism will be displayed in the company's website along with the contact information based on the nature of the complaint.

12. Whistle-Blower Mechanism

The Company has in place an effective policy formulated with a view to provide a mechanism for employees, Directors and other stakeholders of the Company to raise concerns on violations of any legal or regulatory requirements, incorrect or misrepresentation of financial statements and reports, etc. The mechanism will provide for adequate safeguards against victimization of employees and directors or such whistle blower who avail of the vigil mechanism and report their genuine concerns or grievances in accordance with the reporting procedure laid down in Whistle-Blower Policy which will be displayed on the website of the Company in compliance with the applicable regulations in that regard.

13. POSH

The Company has zero tolerance for sexual harassment at workplace and has adopted the POSH policy on prevention, prohibition and redressal of sexual harassment at workplace. It has also constituted an Internal Complaints Committee (ICC) for prevention and redressal of complaints of sexual harassment at workplace, the contact details of the ICC along with the policy will be displayed on the website of the Company.

14. Compliance with Laws and Regulations

The Company will ensure compliance with all applicable laws, regulations, and industry standards, including those related to corporate governance, securities laws, and financial reporting. All the regulatory returns and filings, submission of reports and information required under the Companies Act, 2013, RBI Directions/ Regulations/ Circulars/ Notifications, NHB regulations, SEBI regulations and

other applicable rules and regulations from time to time will be submitted at regular interval without any fail.

The Audit Committee of the Board will be responsible to oversee the Company's compliance with all such regulatory filings and compliances. The Company will take appropriate actions to address any violations or non-compliance.

15. Appointments of Statutory auditors and other officers under RBI/NHB Regulations

The Company will ensure that the statutory auditors and other appropriate officers are appointed to oversee the specific functions as prescribed under RBI/NHB Regulations with appropriate guiding policies and procedures as required under the said regulations in accordance with the policy laid down in that regard.

16. Related Party Transactions

The Company will ensure to comply with the "Related Party Transactions" (RPT) policy. All Related Party Transactions shall be reported to the Audit Committee for its approval or for referring the same for approval in accordance with the policy laid down in that regard. Relevant disclosures in this regard will be made in the Annual Report of the Company.

17. Policy review and amendments

This Internal Guidelines on Corporate Governance will be reviewed periodically by the Board to ensure that it remains effective and aligned with legal and regulatory requirements. Amendments made to the policy as necessary, shall be approved by the Board of Directors and communicated to all stakeholders.

By adhering to the principles outlined in this **Internal Guidelines on Corporate Governance, Nestavia Home Finance Private Limited** aims to foster a culture of transparency, accountability, and integrity that drives long-term sustainable growth and value for all its stakeholders.
