

**NIIF Infrastructure Finance Limited (NIIF IFL) – Internal Guidelines on Corporate
Governance**

Policy Owner : Head – Legal and Compliance

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NIIF IFL – Internal Guidelines on Corporate Governance

Company Philosophy and Corporate Governance

The Reserve Bank of India ('RBI') vide its Circular No. DNBR (PD) CC.No.029/ 03.10.001/ 2014-15 dated April 10, 2015 notified Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015 ("RBI Circular") which requires NBFCs to frame Internal Guidelines on Corporate Governance.

Being a professionally run enterprise with National Investment and Infrastructure Fund II ("NIIF Fund II") holding controlling stake, effective board oversight and sound Corporate Governance practices are fundamental to the Company's quest of delivering long-term value to all its stakeholders.

Corporate Governance is a continuous process at NIIF Infrastructure Finance Limited. It is about commitment to values and ethical business conduct. Systems, policies and frameworks are regularly upgraded to meet the challenges of rapid growth in a dynamic external business environment.

Company

The Company is NBFC-ND-SI (Non Banking Financial Company- Non Deposit taking- Systemically Important) categorized as an Infrastructure Debt Fund and is registered with Reserve Bank of India.

Board

The Company's Board currently consists of 6 Directors, comprising three nominee Directors of NIIF Fund II, two Independent Directors and One Nominee Director of Housing Development Finance Corporation Limited ("HDFC").

The members of the Board are as follows:

Sr. No.	Name of Director	Designation
1.	Mr. Prakash Rao	Nominee Director of NIIF Fund II
2.	Mr. Rajiv Dhar	Nominee Director of NIIF Fund II
3.	Mr. A K T Chari	Nominee Director of NIIF Fund II
4.	Mr. Suresh Menon	Nominee Director of HDFC
5.	Mr. Ashwani Kumar	Independent Director
6.	Ms. Ritu Anand	Independent Director

The Directors bring to the Board a wide range of experience and skills which include banking, global finance, law, accounting and economics.

Committees

I. Following are the Board level Committees of the Company:

A. Audit Committee

The Company has in place the Audit Committee in accordance with the provisions of the Companies Act 2013 and RBI Guidelines as amended from time to time. The terms of reference of the Audit Committee are in accordance with the relevant provisions of the Companies Act, 2013.

The Audit Committee consists of:

Sr No	Particulars	Designation	Chairman/Member
1	Mr. Ashwani Kumar	Independent Director	Chairman
2	Ms. Ritu Anand	Independent Director	Member
3	Mr. Rajiv Dhar	Non Executive Director	Member

All the members are financially literate and at least one member has accounting or financial management expertise. The CFO and the representatives of the Statutory Auditors and Internal Auditors are permanent invitees to the Audit Committee Meetings. The Company Secretary of the Company acts as the Secretary to the Audit Committee. The Audit committee charter is in line with the Companies Act 2013.

B. Credit Committee

All financing proposals are submitted to the Credit Committee for its approval. The Credit Committee meets as may be required, to consider and approve proposals. In case of urgency, it takes up proposals for approval by circulation.

The Credit Committee consists of:

Sr No	Particulars	Designation	Chairman/Member
1	Mr. Prakash Rao	Nominee Director of NIIF Fund II	Chairman
2	Mr. A K T Chari	Nominee Director of NIIF Fund II	Member
3	Ms. Varsha Purandare	Nominee of NIIF Fund II	Member
4	Mr. Sadashiv S. Rao	Chief Executive Officer of the Company	Member

The quorum of the Credit Committee Meeting is any three members present at the Meeting in person or by Video Conferencing or by any other allowable mode.

C. Nomination and Remuneration Committee

The Company has in place, the Nomination and Remuneration committee of the Company.

The Nomination and Remuneration Committee consists of:

Sr No	Particulars	Designation	Chairman/Member
1	Mr. Ashwani Kumar	Independent Director	Chairman
2	Ms. Ritu Anand	Independent Director	Member
3	Mr. Prakash Rao	Nominee Director of NIIF Fund II	Member
4	Mr. Rajiv Dhar	Nominee Director of NIIF Fund II	Member

The Terms of Reference of the Nomination and Remuneration Committee are in accordance with the applicable provisions of the Companies Act, 2013. The Committee ensures formulation of the remuneration policy and sets out criteria for determining qualifications, positive attributes and independence of a director and recommends to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees; The Committee is responsible to ensure 'fit and proper' status of proposed/ existing directors.

D. Risk Committee

The Board-level Risk Committee monitors risk management of the Company on a regular basis.

The Risk Committee consists of:

Sr No	Particulars	Designation	Chairman/Member
1	Mr. Prakash Rao	Nominee Director of NIIF Fund II	Chairman
2	Mr. Rajiv Dhar	Nominee Director of NIIF Fund II	Member
3	Mr. A K T Chari	Nominee Director of NIIF Fund II	Member

The Risk Committee reviews and monitors mainly four types of risks across the organization: credit risk, market risk, liquidity risk and operational risk.

The Risk Committee meets on a half yearly basis and updates the Board on the various reviews made and risk management policy.

E. CSR Committee

NIIF Infrastructure Finance Limited believed that profitability must be complemented by a sense of responsibility towards all stakeholders. The CSR Committee, as mandated under Section 135 (3) of the Companies Act, 2013 formulated and recommended to the Board, a CSR Policy which indicates the activities to be undertaken by the Company as specified in Schedule VII of the Act and recommends the amount of expenditure to be incurred on the said activities.

The CSR Committee consists of:

Sr No	Particulars	Designation	Chairman/Member
1	Mr. Ashwani Kumar	Independent Director	Chairman
2	Ms. Ritu Anand	Independent Director	Member
3	Mr. Prakash Rao	Nominee Director of NIIF Fund II	Member

II. Following are the few important Management Committees of the Company from the point view of compliance and governance:

A. ALCO Committee

The ALCO is a decision making body responsible for integrated balance sheet management from risk-return perspective and includes the strategic management of interest rate and liquidity risks.

The ALCO comprises of the following:

Sr. No	Particulars	Designation	Chairman/Member
1	Mr. Sadashiv S. Rao	Chief Executive Officer	Chairman
2	Mr. Sanjay Ajgaonkar	Chief Financial Officer	Member
3	Mr. Dhananjay Yellurkar	Chief Risk Officer	Member
4	Mr. Debabrata Mukherjee	Head - Business	Member
5	Mr. Amit Ruparelia	Director -Resources	Member

Head – IT will be invitee to the ALCO meetings. NIIF Representative will be invited as an observer to the ALCO Meetings. The quorum for ALCO will be 3 (three) members, which must include the CEO and CFO. The ALCO will meet at least six times during the year. The Chairman of the ALCO may convene an ALCO meeting on a more frequent basis.

B. Investment Committee

The Investment committee comprises of the following

- Chief Executive Officer
- Chief Financial Officer
- Chief Risk Officer

The scope of the Investment Committee is:

- Overall monitoring of the Treasury Activities
- Powers to fix and vary limits within the delegated powers of this Policy
- Set and review Strategies
- Review Treasury operations

The Investment Committee meets as and when need arises.

C. IT Strategy Committee

The IT Strategy Committee comprises of

Sr No	Particulars	Designation	Chairman/Member
1	Ms. Ritu Anand	Independent Director	Chairman
2	Mr. Rajiv Dhar	Nominee of NIIF Fund II	Member
3	Mr. Sadashiv S. Rao	Chief Executive Officer	Member
4	Mr. Madhusudan Warrier	Director – Information Technology	Member
5	Mr. Dhananjay Yellurkar	Chief Risk Officer	Member
6	Mr. Sanjay Ajgaonkar	Chief Financial Officer	Member

RBI vide it's Master Direction on June 08, 2017 Direction requiring NBFCs to comply with requirements relating to Information Technology Framework ("IT Framework").

The focus of the IT Framework is on IT Governance, IT Policy, Information & Cyber Security, IT Operations, IS Audit, Business Continuity Planning and IT Services Outsourcing. IT Framework given under Section-A of Master Direction applied to the Company being the systematically important NBFC. IT Framework required the Company to place the Master Direction before its Board, together with a gap-analysis vis-à-vis the Master Direction and the proposed actions. NBFCs were also required to form an IT Strategy Committee. This committee has to review and amend the IT strategies in line with the corporate strategies, Board Policy reviews, cyber security arrangements and any other matter related to IT Governance.

The quorum necessary for IT Strategy Committee meeting is any two members present, in person or by Video Conferencing or by any other allowable mode and one of whom shall be Chairperson. Committee should meet at an appropriate frequency but not more than six months should elapse between two meetings.

Rotation of partners of the Statutory Auditors /Audit Firm

Rotation of partners of the Statutory Auditor/Audit Firm will be done in accordance with the provisions of the Companies Act, 2013 and relevant RBI Guidelines

Fair Practices Code:

Pursuant to the guidelines on Fair Practices Code issued by Reserve Bank of India, the Company has adopted a policy on Fair Practices Code which is posted on the website of the Company. A regular review on the implementation of the same is conducted by committee members.

Code of conduct

The Company has adopted a code of conduct and Ethics of the Company and due care is taken that the same is being adhered to.

Whistle Blower Policy

The Board of Directors of the Company approved the Vigil Mechanism and amended the existing Whistle Blower Policy of the Company to bring it in line with the provisions of the Companies Act, 2013. The Whistle Blower Policy is disclosed on the website of the Company www.niifl.in. The vigil mechanism is designed for the directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy.

Disclosures and transparency

The Board of the Company reviews, records and adopts the minutes of all the above Board level committee meetings.

As part of the Corporate Governance, a compliance requirement has been put in place, wherein a quarterly report regarding compliance with all laws applicable to the Company is placed before the Board for their review.

Review

This policy shall be reviewed periodically and may be amended by the Board of the Company on the basis of decisions taken by the Board.