

MUTHOOT VEHICLE & ASSET FINANCE LIMITED

INTERNAL GUIDELINES ON CORPORATE GOVERNANCE

PHILOSOPHY OF CORPORATE GOVERNANCE

The Company (MVAFL) believes that good Corporate Governance emerges from the application of the best and sound Management practices and Compliances with the laws with adherence to the highest standards of transparency and business ethics. The Company believes in sound governance practices for functioning of the Company and for creation of value for its stakeholders on a sustainable and long term basis.

Corporate Governance is a continuous process at MVAFL. 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 dynamic external business environment.

COMPANY

The Company is a deposit-taking vehicle and asset finance company operating primarily in the State of Kerala registered with the RBI.

BOARD OF DIRECTORS

Currently, MVAFL's Board consist of 5 Directors. The directors bring the Board a wide range of experience and skill which include banking, global finance, law accounting and finance.

The members of the Board are as follows:

Sr. No.	Name of the Director	Executive/ non-executive	Independent/ Non-independent
1.	Manoj Jacob	Executive	Non- independent
2.	Anna Alexander	Non-executive	Non- independent
3.	Ragesh G R	Non-executive	Non- independent
4.	T. Thomas Mathew	Non-Executive	Independent
5.	Kurian C. George	Non-executive	Independent

AUDIT COMMITTEE

The Company has in place the Audit Committee in accordance with the provisions of the Companies Act 2013 and Rules made thereunder.

The Audit Committee consists of:

Sr. No.	Name of the Director	Executive/ Non - executive	Independent/ Non independent
----------------	-----------------------------	---------------------------------------	---

1.	Kurian C George	Non-executive	Independent
2.	T. Thomas Mathew	Non-executive	Independent
3.	Manoj Jacob	Whole Time Director	Non- independent

All the members are financially literate and one member has accounting or financial management expertise. The CFO and the Statutory Auditors and Internal Auditors are permanent invitees to the Audit Committee meeting. 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 and rules made thereunder and the same is disclosed in the Annual Report of the Company every year.

NOMINATION AND REMUNERATION COMMITTEE

The Committee has in place, the nomination and remuneration committee of the company, in accordance with the provisions of the Companies Act, 2013. The committee comprises of the following directors:

Sr. No.	Name of the Director	Executive/ Non-executive	Independent/ Non-independent
1.	T. Thomas Mathew	Non-executive	Independent
2.	Kurian C. George	Non-executive	Independent
3.	Anna Alexander	Non-Executive	Non- independent

The terms of reference of the Nomination and Remuneration Committee are as follows:

1. Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with Criteria as laid down and recommend to Board their appointment and removal.
2. Ensure persons proposed to be appointed on the Board do not suffer any disqualifications for being appointed as a director under the Companies Act, 2013.
3. Ensure that the proposed appointees have given their consent in writing to the Company;
4. Review and carry out every Director's performance, the structure, size and composition including skills, knowledge and experience required of the Board compared to its current position and make recommendations to the Board with regard to any changes;
5. Plan for the succession planning for directors in the course of its work, taking into account the challenges and opportunities facing the Company, and what skills and expertise are therefore needed on the Board in the future;
6. Be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;
7. Keep under review the leadership needs of the organization, both executive and nonexecutive, with a view to ensuring the continued ability of the organization to compete efficiently in the market place; and
8. Ensure that on appointment to the Board, non -executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of committee services and involvement outside board meetings.

9. Determine and agree with the Board the framework for broad policy regarding the criteria for determining qualifications, positive attitudes and independence of a director and recommend to the Board a policy, relating to remuneration for the Directors, Key Managerial Personnel and other employees.
10. Review the on-going appropriateness and relevance of the remuneration policy.
11. Ensure that contractual terms of the agreement that Company enters into with Directors as part of their employment in the Company are fair to the individual and the Company.

Ensure that all provisions regarding disclosure of Nomination and Remuneration Policy as required under the Companies Act, 2013 or such other acts, rules, regulations or guidelines are complied with.

STAKEHOLDER RELATIONSHIP COMMITTEE

The members of the Stakeholders' Relationship Committee are:

Sr. No.	Name	Designation	Designation in the Committee
1.	Kurian C. George	Independent Director	Chairman
2.	T. Thomas Mathew	Independent Director	Member
3.	Manoj Jacob	Whole Time Director	Member

The terms of reference of the Stakeholder's Relationship Committee include:

1. Resolving the grievances of the security holders including complaints related to transfer/transmission/ transposition and mutation of shares, issue of new/duplicate certificates and also to deal with all the matters related to de-materialization or re - materialization of shares, change in the beneficial holders of demat shares and granting of necessary approvals wherever required.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the company."
5. Any such matters that may be considered necessary in relation to security holders and investors of the Company.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

The members of the CSR Committee are:

Sr. No.	Name	Designation	Designation in the Committee
1.	T. Thomas Mathew	Independent Director	Chairman
2.	Ragesh G R	Director	Member
3.	Manoj Jacob	Whole-time Director	Member

The terms of reference of the CSR Committee include:

1. To do all acts and deeds as required under Section 135 of Companies Act, 2013 read with Relevant Rules;
2. To approve, adopt and alter the Policy Documents for CSR Committee activities of our Company;
3. To supervise, monitor and Direct CSR Committee activities of the Company and approve Budgets, sanctioning the amount required for various CSR Activities;
4. To authorize or delegate any of its power for administration purposes/expenses related to day-to-day activities of Company for CSR to any member of the Committee;
5. To review CSR activities of the Company on a regular basis as decided by the Committee on basis of CSR policy and other guidelines as adopted by the Committee.

ASSET LIABILITY MANAGEMENT COMMITTEE

The members of the Asset Liability Management Committee (**ALM**)

Sr. No.	Name	Designation	Designation in the Committee
1	Manoj Jacob	Whole Time Director	Chairman
2	Anna Alexander	Non-Executive Director	Member
3	Ragesh G R	Non-Executive Director	Member

The terms of reference of the Asset Liability Management Committee are as set out below:

1. The ALM Committee manage the balance sheets and liabilities in order to maximize the spread between interest earned and interest paid.
2. Maintain acceptable levels of interest rate risk and to protect the institution from any disastrous financial consequences arising from changes in interest rate risk.
3. Ensure that the Committee has the ability to pay liabilities as they come due.

These objectives shall be pursued within the framework of written loan and investment policies. The responsibility of asset/ liability management procedures will be directed by the Asset/ Liability Management Committee (ALCO) of the Board.