

**HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED**

**TERMS OF REFERENCE – RISK MANAGEMENT COMMITTEE**

**Constitution:**

- (i) The Risk Management Committee (RMC) shall comprise of an independent director (who shall also act as the Chairperson of the Committee), Managing Director, Executive Director and such other members of the Senior Management as the Board may decide from time to time. The Committee shall comprise minimum of 5 members.
- (ii) The Company Secretary of the Corporation shall act as the Secretary to the Committee.

**Meetings:**

- (i) The RMC shall meet at least twice in every financial year.
- (ii) The quorum for the meetings of the RMC shall be atleast three members.
- (iii)The Committee may meet in person, or through video conferencing or other audio visual means.
- (iv) The Members of the Committee shall be entitled to sitting fees for attending meetings of the Committee, as may be fixed by the Board, from time to time.
- (v) The minutes of the meetings of the Committee shall be recorded and maintained.

**Invitees:**

In addition to the Company Secretary, the Committee may invite such officers of the Corporation to participate in the meeting, but such meetings may also be held without their presence.

**Role:**

- (i) Formulate a Risk Management Framework and/or Risk Management Policy and recommend the said framework and/or Policy and any amendments thereto to the Board for its approval;
- (ii) Ensure that appropriate methodology, processes and systems are in place to monitor, evaluate and report risks associated with the business of the Corporation;
- (iii)Review the adequacy of the existing measures to mitigate risks covering various functions of the Corporation;

- (iv) Evaluate and approve new risks and the mitigation measures that may be recommended by the Risk Manager(s) in respect of any function and review the action taken for its implementation on an ongoing basis;
- (v) Evaluate and ensure that appropriate processes and systems are in place to monitor, evaluate and report cyber security risks associated with the business of the Corporation and to review the adequacy of the existing measures to mitigate the said risk.
- (vi) The Committee shall perform such other functions as may be required under the relevant provisions of the Securities and Exchange Board of India (Listing Regulations and Disclosure Requirements) Regulations, 2015, any other applicable laws and various circulars issued by the regulatory authorities thereof, as amended from time to time.

**Powers:**

The Committee shall be vested with the following powers:-

- (i) To investigate any activity within the terms of reference.
- (ii) To obtain advice from auditors or lawyers or experts, retain services of external consultants for redressing issues relating to and arising from risk management framework as it may deem appropriate and to secure their attendance.
- (i) To call for any information, documents, records from any officers of the Corporation for ascertaining the adherence to the policies, procedures and standards laid for monitoring evaluating and reporting of risks.

**Report:**

The Committee shall apprise the Audit Committee and the Board on the risk profile of the Corporation twice in every financial year.

**Review & Authority:**

The terms of reference of the Committee shall be reviewed periodically to reassess its adequacy.

\*\*\*\*