

Board Familiarisation

Disclosures as per Regulation 46(2)(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Corporation has in place systems and processes to ensure that independent directors are familiar with various aspects of the Corporation including:

- a) Nature of the housing finance industry;
- b) Key areas of business and performance of the Corporation;
- c) Developments within group companies;
- d) Roles, rights, responsibilities of independent directors;
- e) Any other relevant information required by independent directors to discharge their functions, thereby maintaining optimum governance standards within the Corporation.

The reference manual is a document prepared by the Corporation for the directors, which serves as a ready reference to various statutory and legal aspects concerning their fiduciary responsibilities as directors of the Corporation. The reference manual is periodically updated.

The reference manual broadly contains the following:

- Products & services of the Corporation;
- Profile of subsidiaries and key associates of the Corporation;
- Functions, duties and responsibilities of the board of directors;
- Role and functions, duties of independent directors;
- Periodic and event based disclosures to be provided by the directors;
- Constitution, role and power of the committees of the board; and
- Codes and policies adopted by the Corporation.

With the objective of facilitating board familiarisation programmes, during the current financial year the following were undertaken:

- The senior management of the Corporation made presentations on critical functions of the Corporation in order to ensure that its independent directors were kept abreast of developments in the Corporation.

These covered a wide gamut of issues including:

- Macro-economic environment;
- Impact of new regulatory guidelines and developments;
- Digitalisation initiatives, IT strategy and cybersecurity;
- Audit policy & processes;
- Functioning of certain key departments; and
- Risk management framework.

During the year, the managing director along with senior executives of certain key subsidiaries of

the Corporation made presentations to the Audit & Governance Committee of the Corporation on the operations and governance framework in their companies.

The board is apprised of key changes in the regulatory framework as stipulated by the Ministry of Corporate Affairs, National Housing Bank, SEBI, RBI and other regulatory authorities and its impact on the Corporation, if any, on a quarterly basis.

Further, to enable the directors of the Corporation to remain updated on developments pertaining to the Corporation and its group companies, a chronicle containing a brief on regulatory changes that impacts the Corporation and its directors, updates relating to the Corporation and its group companies as well as applicable case laws are circulated to all the directors on a monthly basis.

During the year, two new non-executive directors were appointed on the board of the Corporation. The Corporation arranged for orientation programmes for them, wherein the whole-time directors and senior management of the Corporation and some of the Corporation's subsidiary/associate companies made detailed presentations *inter alia* covering:

- Business overview of individual/ non-individual loan portfolios;
- Credit risk management;
- Risk management;
- Corporate legal and compliance functions;
- Deposits programme;
- Treasury function;
- Policy implementation and process monitoring;
- Investor perception of the Corporation and Environment, Social and Governance Initiatives; and
- Overview of group companies viz. HDFC Asset Management Company Limited, HDFC Life Insurance Company Limited and HDFC ERGO General Insurance Company Limited.

During the year, the board/board committees spent more than 30 hours on various familiarisation programmes. Since FY16, the board has cumulatively spent approximately 131 hours on familiarisation programmes.

It remains the constant endeavour of the Corporation to continually update its independent directors on in-house updates and facilitate interaction with various functional and business heads of the Corporation. Further, necessary support is provided to independent directors of the Corporation who may wish to attend external training programmes in the areas of regulation and compliance, corporate governance, issues pertaining to the industry, new emerging areas, amongst others, which would enable them to perform their role in the most optimum manner.

The Corporation's Board Familiarisation Programme is hosted on its website.

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