

## HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED

### INTERNAL GUIDELINES ON CORPORATE GOVERNANCE

The Board of Directors of Housing Development Finance Corporation Limited (hereinafter referred to as “HDFC” or “the Corporation”) has adopted the Internal Guidelines on Corporate Governance as required under Master Direction–Non-Banking Financial Company–Housing Finance Company (Reserve Bank) Directions, 2021. These guidelines provide for internal guideposts to maintain highest standards of Corporate Governance within the Corporation.

As stipulated in the said Directions, the Corporation –

- a) has an Audit and Governance Committee, consisting of not less than three directors and chaired by an Independent Director. The Committee shall *inter alia* ensure that an information systems audit (ISA) of the critical and significant internal systems and processes is conducted at least once in a year to assess operational risks faced by the Corporation or for such other periodicity as may be prescribed by the Reserve Bank of India.
- b) has a Nomination and Remuneration Committee consisting of not less than three directors and chaired by an Independent Director. The Committee shall *inter alia* ensure fit & proper status of proposed/ existing directors and that there is no conflict of interest in appointment of directors and their independence is not subject to potential threats. The Corporation also has a proper framework in relation to remuneration of Directors, Key Managerial Personnel, Senior Management and other employees.
- c) has a Risk Management Committee consists of majority of directors and chaired by an Independent Director. The Committee manage the integrated risks.
- d) has appointed a senior official as the Chief Risk Officer (CRO) with clearly specified roles and responsibilities, who reports to the Risk Management Committee through its Chairman.
- e) has put in place a board approved policy for ascertaining fit and proper criteria of the directors at the time of appointment and thereafter on a continuing basis.
- f) has a system for disclosure to the Board at regular intervals on the following:
  - (i) risk management system and risk management policy and strategy followed by the Corporation; and
  - (i) conformity with the prescribed corporate governance standards viz., composition of various committees, their roles and functions, periodicity of the meetings and compliance with coverage and review functions etc.
- g) will make the necessary disclosures in the Annual Report as required under the aforesaid Directions, and

h) will rotate the partner/firm of the statutory auditors in accordance with the applicable laws.

Note: The above guidelines are in addition to the corporate governance practices adopted by the Corporation under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The above guidelines shall be periodically reviewed and brought in conformity with the applicable statutory and regulatory requirements.

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