COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company recognizes its role as a corporate citizen and endeavors to adopt the best practices and the highest standards of Corporate Governance through transparency in business ethics, accountability to its customers, government and others. The Company’s activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them and adopt the best practices. As part of the Tata Group, the Company’s philosophy on Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance practices.

The Corporate Governance philosophy has been strengthened with the implementation by the Company of the Tata Code of Conduct applicable to the Company and its employees. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors. Both these codes are available on the Company’s website.

At the Meeting of the Board of Directors of the Company held on February 16, 2015, the Directors approved and adopted the Governance Guidelines on Board Effectiveness issued by Tata Sons Limited (“Guidelines”). These Guidelines are based on the Tata Group’s deep belief in values, ethical conduct of business, commitment to social responsibility, respect for all stakeholders and sound corporate governance practices. The same are based on current and emerging best practices from both within and outside Tata companies and have been prepared keeping in view the provisions of the Companies Act, 2013 (“Act”).

GUIDELINES ON CORPORATE GOVERNANCE BY THE NATIONAL HOUSING BANK

In order to enable Housing Finance Companies to adopt best practices and greater transparency in their operations, the National Housing Bank (“NHB”) vide Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017, issued the Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 (“Directions”). In pursuance of the aforesaid Directions, the Company had framed the following internal Guidelines on Corporate Governance.

BOARD OF DIRECTORS

The Board of Directors alongwith its Committees shall provide leadership and guidance to the Company’s Management and direct, supervise and control the performance of the Company.

As per the Company’s Articles of Association, the Board’s strength is required to be a minimum of three to a maximum of twelve directors.

The Board of Directors of the Company shall have an optimum combination of Executive, Non-Executive, Independent and Woman Directors, as per the Guidelines / Regulations applicable to the Company.
A Director shall not hold the office of Director in more than 20 companies and the maximum number of directorships in public companies shall not be more than 10. None of the Directors on the Company's Board shall be a Member of more than 10 Board Committees and Chairman of more than 5 Board Committees (Committees being Audit Committee and Stakeholders Relationship Committee) across all companies in which they are Directors. All the Directors shall make the necessary annual disclosure regarding their change in concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including shareholding, directorships and committee positions and shall intimate changes as and when they take place.

The Directors shall act in accordance with the duties as provided under the Act and the Independent Directors shall abide by the Code for Independent Directors under Schedule IV of the Act.

The Board shall periodically review Compliance Reports of all laws applicable to the Company prepared by the Company as well as steps taken by the Company to rectify instances of non-compliance.

**BOARD MEETINGS**

Meetings of the Board of Directors shall be held at least four times a year, such that not more than one hundred and twenty days shall intervene between two consecutive meetings.

**CODE OF CONDUCT**

The Company shall adopt the Tata Code of Conduct for its employees including the Managing Director and a Code of Conduct for its Non-Executive Directors and Independent Directors.

**COMMITTEES OF THE BOARD**

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board shall constitute a set of Committees with specific terms of reference / scope. The Committees shall operate as empowered agents of the Board as per their Charter / terms of reference. The minutes of the meetings of all Committees of the Board shall be placed before the Board for discussions / noting.

Details of the various Committees are as under:

1. **Audit Committee**

   The Audit Committee shall function as per the Audit Committee Charter (Annexure – A)

2. **Nomination and Remuneration Committee**

   The Nomination and Remuneration Committee shall function as per the Nomination and Remuneration Committee Charter (Annexure – B)
3. **Corporate Social Responsibility Committee**

   The Corporate Social Responsibility Committee shall function as per the Corporate Social Responsibility Committee Charter (Annexure – C).

4. **Risk Management Committee**

   The Risk Management Committee shall function as per the Risk Management Committee Charter (Annexure – D).

5. **Asset Liability Committee**

   The Asset Liability Committee shall function as per the Asset Liability Committee Charter (Annexure – E).

6. **Lending Committee**

   The Lending Committee shall function as per the Lending Committee Charter (Annexure – F).

7. **Information Technology Strategy Committee**

   The Information Technology Strategy Committee shall function as per the Information Technology Strategy Committee Charter (Annexure – G).

8. **Stakeholders Relationship Committee**

   The Stakeholders Relationship Committee shall function as per the Charter for the Stakeholders Relationship Committee (Annexure – H).

**MEMBERS**

Members shall be informed of details regarding the appointment or re-appointment of a Director.

**DISCLOSURES**

The Company shall make the disclosures required to be made under the Act and the Rules framed there under, the Guidelines issued by NHB and such other laws and regulations as may be applicable to the Company.

**MD/CFO CERTIFICATION**

The Managing Director and the CFO shall make the necessary certifications regarding the Financial Statements, internal controls, etc. to the Board.

**COMPLIANCE OFFICER**

The Board of Directors shall designate a Compliance Officer to ensure compliance with applicable laws.
POLICIES ADOPTED BY THE COMPANY

The Company shall adopt such policies, as may be required to adopt under the Act, the Guidelines issued by NHB and such other laws and regulations as may be applicable.

The policies adopted may be reviewed by the Board from time to time.
Tata Capital Housing Finance Limited - Board Audit Committee Charter

The role of the Audit Committee shall flow directly from the Board of Directors’ oversight function on corporate governance which holds the Management accountable to the Board and the Board accountable to the shareholders. Acting as a catalyst in helping the Company achieve its objectives, the Audit Committee’s review function will include the financial reporting process, the system of internal financial controls, the audit process, the Company’s process for monitoring compliance with laws and regulations and the Code of Conduct.

Authority

The Audit Committee shall act and have powers in accordance with the terms of reference which shall include the following:
- To investigate any activity within its terms of reference
- To seek information from any employee
- To obtain outside legal or other professional advice
- To secure attendance of outsiders with relevant expertise, if it considers it to be necessary
- To have full access to information contained in the records of the Company

Composition

- The Audit Committee shall have minimum three Members, all being Non-executive Directors, of which the majority shall be Independent Directors.
- All Members of the Audit Committee shall be financially literate and at least one Member shall have accounting or related financial management expertise.
- The Members of the Audit Committee shall elect a Chairperson from amongst themselves, who shall necessarily be an Independent Director.
- The Chairperson of the Audit Committee or in his/her absence, any other Member of the Committee, so authorised by him/her on his/her behalf shall attend the general meetings of the Company, in accordance with the provisions of the applicable laws.
- The Company Secretary shall act as Secretary to the Audit Committee Meetings.

Meetings

- The Audit Committee shall meet periodically, but at least 4 times a year and not more than 120 days shall elapse between two successive Meetings.
- One Meeting shall be held before the annual accounts and quarterly/ half-yearly accounts are presented to the Board.
- The quorum for Meetings of the Audit Committee shall be either two Members or one-third of the Members of the Audit Committee, whichever is higher, including one Independent Director.
- The Chief Financial Officer, Internal Auditor and a Representative of the External (Independent) Auditors should be requested to be present as invitees for the Meetings of the Audit Committee. However, such persons shall not have the right to vote.
- The Audit Committee may invite such of the executives, as it considers appropriate (particularly, the Head of the Finance Function), to be present at the Meetings of the Audit Committee. Such persons shall not have the right to vote. On occasions considered necessary the Audit Committee may also meet without the presence of any executive of the Company.
- The Auditors of the Company and the Key Managerial Personnel shall have a right to be heard at the Meetings of the Audit Committee when it considers the Auditors’ Report but they shall not have the right to vote.

Responsibilities

The Audit Committee shall have discussions with the Auditors periodically about internal financial control systems, the nature and scope of audit, including the observations of the Auditors and review the half-yearly and annual financial statements before submission to the Board and recommend the same to the Board for its consideration.
and also oversee compliance of internal financial control systems. In addition, the responsibilities of the Audit Committee shall include the following:

**Financial Statements**

- Overview of the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statements are true, fair, correct, sufficient and credible.
- Reviewing with the Management the annual financial statements and the Auditors’ Report thereon before submission to the Board, with particular reference to:
  - Matters required to be included in the Director’s Responsibility Statement in the Board’s Report in terms of sub-section (5) of Section 134 of the Companies Act, 2013
  - Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on exercise of judgment by the Management
  - Modified opinion(s) in the draft Auditors’ Report, if any
  - Significant adjustments made in the financial statements arising out of audit findings
  - The going concern assumption
  - Compliance with Accounting Standards
  - Scrutiny of inter-corporate loans and investments
  - Disclosure of contingent liabilities
  - Any related party transactions as per the relevant Accounting Standards and the Companies Act, 2013
  - The effect of regulatory and accounting initiatives as well as off-balance-sheet structures, on the financial statements.
  - Company’s press releases, as well as financial information and earnings guidance, if any, provided to analysts and rating agencies.
  - Reviewing and evaluating the Company’s financial and risk management policies and risk management systems.

**Review and Examination of Information**

- Internal audit reports relating to internal control weaknesses.
- Financial Statements and draft Auditors’ Report thereon, including the draft limited review report of the Auditors.
- Management Discussion and Analysis of financial condition and results of operations.
- Reports relating to risk management and compliance with applicable laws.
- Management letters / letters of internal control weaknesses issued by the Statutory / Internal Auditors.

**Internal Control**

- Evaluation of the internal financial controls, accounting policies, etc. with the Management, External and Internal Auditors, and to review the adequacy of internal financial control systems.

**Internal Audit**

- Reviewing the Internal Audit Report and action thereon.
- Reviewing the adequacy of the internal audit function, including the Internal Audit Charter, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- The Head - Internal Audit shall have a direct and independent line of reporting to the Audit Committee and administratively to the Managing Director.
- Reviewing the appointment, removal and terms of remuneration of the Head - Internal Audit.
- Discussing with the Internal Auditor any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations carried out by the Internal Auditor into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
Annexure A

- Reviewing and monitoring the performance and effectiveness of the Internal Audit process.
- Conducting Information Systems Audit of the internal systems and processes at least once in two years to assess operational risks.
- Appointment of Auditors to undertake such audits as may be directed by the Audit Committee of the Holding Company / Audit Committee of the Company / law / Board, from time to time.
- The Head – Internal Audit with the Chief Internal Auditor shall meet the Audit Committee of the Board without the presence of Management once in every financial year.

External Audit

- Recommending to the Board the appointment / re-appointment and removal / replacement of the Statutory (External) Auditors, fixation of the remuneration and terms of appointment of the Auditors and also approval for payment for any other services rendered by the Auditor, as permitted by law. While considering the appointment of the statutory auditor, the committee shall consider any order or pending proceedings relating to professional matters of conduct against the proposed auditor before the Institute of Chartered Accountants of India or any other competent authority or any Court.
- Discussing with the Statutory Auditors before the audit commences, the nature and scope of audit as well as post-audit discussion to ascertain any areas of concern.
- Reviewing and monitoring the Auditor’s independence and performance and the effectiveness of the audit process.

Subsidiary companies (if any)

- The Audit Committee may recommend the adoption of policies, procedures and processes laid down by it to the Audit Committee of its subsidiaries. Further, the Audit Committee may review the critical issues that may be referred by the Audit Committees of material subsidiaries to the Audit Committee of the Company.
- Reviewing the financial statements of the subsidiaries, in particular the investments made by the subsidiary companies.
- Overseeing compliance with legal and regulatory requirements, including the Tata Code of Conduct (“TCoC”) for the Company and its material subsidiaries.
- Overseeing financial reporting controls and processes for material subsidiaries.

Related Party Transactions

Approval of Transactions with Related Parties or any subsequent modification thereto shall be dealt with by the Audit Committee, as under:

- All Related Party Transactions in the ordinary course of business and at arm’s length basis which are above Board approved thresholds as mentioned under ‘Framework for Related Party Transactions’ would require prior approval of the Audit Committee.

- A Statement of all Related Party Transactions in the ordinary course of business and at arm’s length basis which are below Board approved thresholds as mentioned under ‘Framework for Related Party Transactions’, will be placed before the Audit Committee for noting, on a half-yearly basis.

- All Related Party Transactions which are not in the ordinary course of business or not at arm’s length basis, would require the prior approval of the Audit Committee.

The Audit Committee will have the discretion to:

- grant omnibus approval for routine Related Party Transactions
- recommend / refer any matter relating to Related Party Transaction to the Board for approval.

The following details shall be placed before the Audit Committee, on a half yearly basis, to oversee the potential conflict of interest situation:
Annexure A

- A statement in summary form of transactions with related parties in the ordinary course of business;
- Details of material individual transactions with related parties which are not in the normal course of business;
- Details of material individual transactions with related parties or others, which are not on arm’s length basis, together with the Management’s justification for the same;
- Approval of all or any subsequent modification of transactions with related parties; and
- Summary of transactions for which omnibus approval has been granted.

In case of any transaction, other than transactions referred to in Section 188 of the Companies Act, 2013, and where the Audit Committee does not approve the transaction, it shall make its recommendations to the Board.

Fraud

- All cases involving an amount of Rs. 25 lakh and above are required to be placed before the Audit Committee.
- All cases involving an amount of Rs. 50 lakh and above are required to be monitored and reviewed by the Audit Committee.
- Additionally, a report containing details of attempted frauds involving an amount of Rs. 25 lakh and above shall be placed before the Audit Committee of the Board for its noting.

Defaults

- Looking into the reasons for substantial defaults / delays in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

Others

- Audit Committee may consider and adopt the policies, procedures and processes laid down by the Audit Committee of the Holding Company. Further, critical issues may be referred by the Audit Committee to the Audit Committee of the Holding Company.
- Recommending the appointment of Chief Financial Officer to the Nomination and Remuneration Committee / Board of Directors, after assessing the qualifications, experience and background, etc. of the candidate.
- Reviewing the functioning of and compliance with the Company’s Whistle Blower Policy.
- Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency with regard to monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing the valuation of undertakings or assets of the Company, wherever it is necessary and the appointment of Registered Valuers.

Compliance

- Reviewing the effectiveness of the system for monitoring compliance with laws and regulations and the results of the Management’s investigation and follow-up (including disciplinary action) of any instances of non-compliance.
- Reviewing the findings of any examinations by regulatory agencies and any Auditor observations.
- Reviewing the process for communicating the TCoC to Company personnel and for monitoring compliance therewith.
- Obtaining regular updates from the Management and Company legal counsel regarding compliance matters.

Reporting Responsibilities

- The Audit Committee shall recommend to the Board, the quarterly, half yearly and annual Financial Statements after reviewing the same.
- The Audit Committee will update the Board, periodically.
The Board’s Report shall disclose the composition of the Audit Committee, brief description of the scope of the Audit Committee Charter, names of the Members and the Chairperson of the Audit Committee and brief details of Meetings and attendance at Audit Committee Meetings.

The recommendations of the Audit Committee on any matter relating to financial management, management discussion and analysis of financial condition and result of operations after its review, including the Auditors’ Report, shall be binding on the Board.

If the Board does not accept the recommendations of the Audit Committee, it shall disclose the same in the Board’s Report, together with the reasons therefor.


- Setting forth the policies relating to and overseeing the implementation of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (“Regulations”), as amended from time to time and the Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices (“Code”);
- Taking on record such reports as may be required from the Compliance Officer under the Code;
- Deciding penal and disciplinary action in respect of violation of the Regulations / Code; and
- Reviewing compliance with the provisions of the Code, at least once in a financial year and to verify that the systems for internal control are adequate and are operating effectively.

Other Responsibilities

- Monitoring the effectiveness and reviewing the implementation of the Anti-Bribery and Anti-Corruption Policy, considering its suitability, adequacy and effectiveness.
- Performing other activities related to this Charter as requested by the Board of Directors.
- Carrying out additional functions as contained in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or other regulatory requirements applicable to the Company or in the terms of reference of the Audit Committee.
- Instituting and overseeing special investigations as needed.
- The Chairperson of the Committee shall confirm annually to the Board that all responsibilities outlined in this Charter have been carried out.

Review of Committee Charter

- The adequacy of this Charter shall be reviewed and reassessed by the Board of Directors from time to time, as it may deem appropriate (based on changes that may be brought about due to the regulatory framework or otherwise).

Sitting Fees

- Members of the Committee shall receive such sitting fees, if any, for their services as Committee Members as may be determined by the Board at its sole discretion.

Committee Evaluation

The Committee shall undergo an annual self-evaluation of its performance and report the result to the Board. Indicative areas for evaluation as part of this exercise include:

- Degree of fulfilment of key responsibilities,
- Adequacy of Committee composition,
- Effectiveness of meetings,
- Committee dynamics,
- Quality of relationship of the Committee with the Board and the Management.
Board Committee Charter

Nomination and Remuneration Committee Charter
Table of Contents

1. Principles and Objectives .................................................................................... 3
2. Composition ........................................................................................................ 3
3. Meetings .............................................................................................................. 4
4. Authority and Power ............................................................................................ 4
5. Responsibilities ................................................................................................... 4
   5.1. Board Composition and Succession related .............................................. 4
   5.2. Evaluation related ....................................................................................... 5
   5.3. Remuneration related ............................................................................... 5
   5.4. Board Development related ...................................................................... 6
   5.5. Review of HR Strategy, Philosophy and Practices .................................... 6
   5.6. Other functions ......................................................................................... 6
6. Reporting ............................................................................................................. 6
7. Evaluation ............................................................................................................ 6
8. Review of Charter ............................................................................................... 7
9. Compliance with the Charter ............................................................................. 7
10. Subsidiary Companies ....................................................................................... 7
1. Principles and Objectives

1.1. The Nomination and Remuneration Committee ("Committee") of the Board of directors ("Board") of Tata Capital Housing Finance Limited ("the Company") will report to the Board and shall:

- Support the Board in matters related to setup and composition of the Board, its Committees and the leadership team of the Company comprising Key Managerial Personnel ("KMP" as defined by the Companies Act, 2013) and the Executive team.
- Carry out the evaluation of every Director’s performance and support the Board and Independent Directors, as may be required, in evaluation of the performance of the Board, its Committees and individual Directors.
- Support the Board in matters related to remuneration of Directors, KMPs, Executive team and other employees.
- Extend oversight on the familiarization programme for Directors.
- Extend oversight on the HR philosophy, HR and People strategy and key HR practices.

2. Composition

2.1. The Committee shall comprise three or more Non-executive Directors, out of which, not less than one-half shall be Independent Directors.
2.2. The Chairman of the Board (whether Executive or Non-executive) may be appointed as a Member of the Committee but shall not chair the Committee.
2.3. The Chief Human Resources Officer of Tata Capital Limited may assist the Committee as required and may attend the meetings of the Committee as per requirement on invitation.
2.4. The Company Secretary of the Company shall act as the Secretary to the Committee and will be responsible for taking adequate minutes of the proceedings and reporting on actions taken in the subsequent meeting.
2.5. Representatives from Group Human Resources may attend the meetings of the Committee as per requirement on invitation.
3. Meetings
3.1. The Committee may establish an Annual Work Plan ("AWP") for each year to ensure that all relevant matters are covered by the agendas of the meetings planned for the year.
3.2. The Committee shall meet as often as needed to discuss matters. It is however, recommended that the Committee meets at least twice during the year.

4. Authority and Power
The Committee shall have the power to:
- Investigate any matter within the scope of this Charter or as referred to it by the Board.
- Seek any information or explanation from any employee or director of the Company.
- Invite such executives, as it considers appropriate to be present at the meetings of the Committee.
- Ask for any records or documents of the Company.

The Committee may also engage (on reasonable terms acceptable to the Board and at the expense of the Company) independent consultants and other advisors and seek their advice on matters related to discharge of its responsibilities.

5. Responsibilities
The responsibilities of the Committee shall include the following:
5.1. **Board Composition and Succession related:**
- Recommend to the Board the setup and composition of the Board. This shall include “Formulation of the criteria for determining qualifications, positive attributes and independence of a director”. This also includes periodical review of composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Scrutinise the declarations received from the proposed / existing Directors to undertake a process of due diligence to determine the suitability of the person for appointment / continuing to hold office as a Director on the Board and decide on the acceptance or otherwise of the Directors and ensure “Fit and Proper” status of Directors at the time of appointment and on continuing basis.
- Support the Board in matters related to the setup, review and refresh of the Committees.
- Devise a policy on Board diversity.
- Recommend to the Board, the appointment or reappointment of Directors. For the purpose of identification of prospective Directors, the
Committee may be supported by Group Human Resources.

- As NRC of the parent/holding company, recommend to the Board of the parent/holding Company, how the Company will vote on resolutions for appointment of Directors on the Boards of its material subsidiary companies, if any.
- Recommend to the Board, the appointment and changes in the following positions/functions, reporting to the Managing Director of the Company, irrespective of the managerial grade:
  - Chief Financial Officer (“CFO”)
  - Company Secretary
  - Compliance Officer
  - Chief Risk Officer
  - Head – Credit
  - Head – Internal Audit
  - Business Head – Construction Finance
  - Business Head – Home Equity
  - Business Head – Home Loans.
- The appointment and changes in the positions/functions other than above, forming part of the Executive Team, who are direct reports of the Managing Director and who are in Grade M8 and above, to be approved by the Managing Director and that the Committee and the Board of Directors to be informed of the said change, subsequently.
- The Committee shall consult the Audit Committee of the Board before recommending the appointment of the CFO and the Head – Internal Audit.

5.2. Evaluation related:
- Carry out the evaluation of every Director’s performance and support the Board and Independent Directors, as may be required, in evaluation of the performance of the Board, its Committees and individual directors. This shall include “Formulation of criteria for evaluation of Independent Directors and the Board.”
- Oversee the performance review process for the KMPs and the Executive team with the view that there is an appropriate cascading of goals and targets across the Company.

5.3. Remuneration related:
- Recommend the Remuneration Policy for the Directors, KMPs, the Executive team and other employees. This includes review and recommendation of the design of annual and long-term incentive plan (including deferred payment plans, equity plans, etc.) for Managing Director (“MD”)/ Executive Directors (“ED”), KMPs and the Executive team. While formulating such a policy, the Committee shall ensure that:
  - the level and composition of remuneration is reasonable and
sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
  o relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  o remuneration to Directors, KMPs and the Executive team involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals

- On an annual basis, recommend to the Board, the remuneration payable to Directors, KMPs and Executive team of the Company. This includes review and recommendation of actual payment of annual and long-term incentives for MD/EDs, KMPs and the Executive team.
- Review matters related to remuneration and benefits payable upon retirement and severance to MD/EDs, KMPs and the Executive team.
- Review matters related to voluntary retirement and early separation schemes for the Company.
- Provide guidelines for remuneration of Directors on material subsidiaries, if any.
- As NRC of the parent/holding company, recommend to the Board of the parent/holding company how the Company will vote on resolutions for remuneration of directors on the Boards of its material subsidiary companies, if any (as may be applicable).
- Assist the Board in fulfilling its Corporate Governance responsibilities relating to remuneration of Board, KMPs and the Executive team members. This includes review and approval of any information related to Directors, KMPs, the Executive team and their remuneration to be presented in the Annual Report or other external communications (statutory or otherwise).

5.4. **Board Development related:**
- Oversee familiarization programmes for Directors.

5.5. **Review of HR Strategy, Philosophy and Practices:**
- Review HR and People strategy and its alignment with the business strategy periodically or when a change is made to either.
- Review the efficacy of HR practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for Board, KMPs and the Executive team).

5.6. **Other functions:**
- Perform other activities related to the Charter as requested by the Board, from time to time.
- Recommend commission payable to the Directors, subject to the
prescribed limits and approval of the shareholders.

- Perform such other duties and responsibilities as may be consistent with the provisions of the NRC charter.

6. Reporting
The Committee will periodically report to the Board on various matters that it has considered.

7. Committee Evaluation
The Committee shall undergo an annual self-evaluation of its performance and report the result to the Board. Indicative areas for evaluation as part of this exercise include:

- Degree of fulfilment of key responsibilities,
- Adequacy of Committee composition,
- Effectiveness of meetings,
- Committee dynamics,
- Quality of relationship of the Committee with the Board and the Management.

8. Review of Charter
The adequacy of this Charter shall be reviewed and reassessed by the Board of Directors from time to time, as it may seem appropriate (based on changes that may be brought about due to the regulatory framework or otherwise).

9. Compliance with the Charter
The Chairman of the Committee shall confirm annually to the Board that all responsibilities outlined in this Charter have been carried out.

10. Subsidiary Companies (if applicable)
Subsidiary companies of the Company shall also form Nomination and Remuneration Committee, as applicable under law. The Committee shall share with its subsidiary companies, such policies and practices as would enable the Boards and the NRCs of those companies to harmonise their policies and practices with those of the parent Company. If required, it shall also provide any assistance that such subsidiaries may require.

Notes:

1. The Executive team shall comprise:
   a) Key Managerial Personnel, Compliance Officer, Chief Risk Officer, Head – Credit, Head – Internal Audit, Business Head – Construction Finance and Business Head – Home Equity, Business Head – Home Loans, irrespective of the managerial grade; and
b) National Sales Manager – Home Equity, National Sales Manager – Affordable Housing Finance, Head – Product & Customer Service, Head – Debt Management and Collection Strategy, Head – Operations and Vice President – Human Resources, who are direct reports of the Managing Director and who are in Grade M8 and above.

2. The term “material subsidiary” shall have the same meaning assigned to this phrase under the applicable law. However, if the law does not prescribe any definition, then, a subsidiary shall be considered as material if the investment of the Company in the subsidiary exceeds twenty per cent of its consolidated net worth as per the audited balance sheet of the previous financial year or if the subsidiary has generated twenty per cent of the consolidated income of the company during the previous financial year.
1. **Applicability**

Setting up of a Corporate Social Responsibility Committee (“CSRC”) of the Board is required in terms of Section 135 of the Companies Act, 2013 (“Act”), the Rules framed thereunder (“CSR Rules”) and Schedule VII to the Act and as amended from time to time as also the Governance Guidelines on Board Effectiveness and / or any other Guidelines issued by Tata Sons Limited, the ultimate Holding Company, from time to time.

2. **Composition**

The CSRC shall comprise three or more Directors, out of which, at least one Director shall be an Independent Director and one shall be a Non-independent Non-executive Director.

3. **Meetings and Quorum**

3.1 The CSRC shall meet at least twice a year.

3.2 The quorum for Meetings of the CSRC shall be one third of the members of the Committee or two members, whichever is higher.

3.3 The Company Secretary shall act as Secretary to the CSRC. The Secretary will, inter alia, keep minutes of the proceedings of Meetings of CSRC and report the actions taken on matters arising out of earlier meetings.

4. **Role and Powers**

The Committee shall have the powers to:

- Formulate and recommend to the Board, a Corporate Social Responsibility (“CSR”) Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013 or any amendment thereto (“CSR Activities”).
- Recommend the amount of expenditure to be incurred on CSR activities.
- Monitor the CSR Policy of the Company from time to time and institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.
- Oversee the Company’s conduct with regard to its corporate and societal obligations and its reputation as a responsible corporate citizen.
- Oversee activities impacting the quality of life of the beneficiaries of the CSR projects.
- Carry out such other functions as may delegated by the Board from time to time.

5. **Reporting**

5.1 Progress reports on CSR activities to be circulated to the Board of Directors on a quarterly basis
5.2 The Company’s Board’s Report shall include an Annual Report from the CSRC on CSR, containing such details as provided in the Annexure to the CSR Rules as also the details about the CSR Policy developed and implemented by the Company on CSR initiatives taken during the year.

6. **Compensation**

The Members of the CSRC shall receive such sitting fees, if any, for their services as Committee members as may be determined by the Board at its sole discretion.

7. **Review of Committee Charter**

The adequacy of this Charter shall be reviewed and reassessed by the Board of Directors from time to time, as it may seem appropriate (based on changes that may be brought about to the regulatory framework or otherwise).

8. **Compliance with the Charter**

The Chairman of the Committee shall confirm annually to the Board that all responsibilities outlined in this Charter have been carried out.

9. **Committee Evaluation**

The Committee shall undergo an annual self-evaluation of its performance and report the result to the Board. Indicative areas for evaluation as part of this exercise include:

- Degree of fulfilment of key responsibilities,
- Adequacy of Committee composition,
- Effectiveness of meetings,
- Committee dynamics,
- Quality of relationship of the Committee with the Board and the Management.
Annexure D

The Risk Charter of the organization aims at defining roles and responsibilities of the Risk Management Function for sound Risk Management.

Risk Management: Philosophy

- To build profitable and sustainable business with conservative risk management approach.
- To have risk management as an integral part of the organization's business strategy.
- To undertake businesses that are well understood and within acceptable risk appetite.
- To manage the risks proactively across the organization.
- To adopt best risk management practices with resultant shareholder value creation and increased stakeholder confidence.
- To develop a strong risk culture across the organization.

TCHFL Risk Management Committee Oversight structure

[Diagram showing the oversight structure with Board of directors, Board committees, Senior management Committees, and BU Committees.]
Risk Management Organization:

The Board of Directors oversee the company’s risk management processes and controls, while management is charged with the day-to-day management of the Company’s risks.

✓ The Board sets, approves the strategic plans and objectives for Risk Management and Risk Philosophy.
✓ Risk Management Committee of the Board approves and reviews compliance with policies implemented by the organization and risk assessment of the organization (including emerging risks).

Risk Management Committee of the Board (RMC):

The purpose of the Committee is to assist the Board in its oversight of various risks (i) Credit Risk (ii) Liquidity and Interest Rate Risk (iii) Operational Risk (Process, HR, Technology and Fraud) (iv) Strategic Risks (including emerging and external risks) (v) Compliance and Reputation Risk (compliance risk and reputation risk are covered through compliance risk management charter).

- Approves and reviews compliance with risk policies, monitors breaches / triggers of risk tolerance limits and directs action.
- Reviews and analyzes risk exposure related to specific issues and provides oversight of risk across organization.
- Reviews reports of significant issues prepared by internal risk oversight functional groups, including risk exposure related to specific issues, concentrations and limits excesses.
- Nurtures a healthy and independent risk management function in the company.
- Inculcates risk culture within the organization.
- Approves the Enterprise wide Risk Management (ERM) framework.

Business Risk Assessment

The RMC shall evaluate the adequacy of the risk management system of the Company. To obtain reasonable assurance with respect to the Company’s risk management practices, the RMC shall periodically review:

- the nature and extent of the risks facing the Company, the industry and the economy as a whole;
- the extent and categories of risk which it regards as acceptable for the Company to bear;
- the likelihood of the risks concerned materializing;
- the Company’s ability to reduce the risks that do materialize;
- the costs of operating particular controls relative to the benefit thereby obtained in managing the related risks;
- consider the risk of management’s ability to overlook / override the internal control systems;

TCHFL Risk Management Charter V 1.3 November 2020
**CHARTER FOR THE RISK MANAGEMENT COMMITTEE OF BOARD OF TCHFL**

- review with the Company’s Legal Head and solicitors about the various legal matters which may have an impact on the financial statements and functioning of the Company; and
- Discuss with the Management, the Company’s policies with respect to risk assessment and risk management, including appropriate guidelines to govern the process, as well as the Company’s major financial risk exposures including policy for foreign exchange and derivative transactions and the steps Management has undertaken to control them.

**Composition**

The Committee shall comprise of at least three Directors out of which two shall be Non-Executive Directors.

The Chairman of the Committee shall be a Non-Executive Director.

**Meetings and Quorum**

The Committee shall meet at least once in a quarter.

Any two members or one-third of the members of the Committee, whichever is greater, shall be the quorum for the Committee meetings.

The Committee may invite such of the executives, as it considers appropriate to be present at the meetings of the Committee. However, Chief Risk Officer - TCL & Chief Risk Officer- TCHFL shall be permanent invitees to the Risk Management Committee meeting.

The Committee shall invite the members of the Audit Committee at the meeting of the Committee wherein the points under the Business Risk Assessment would be considered, at least once in a year.

The Company Secretary shall act as the Secretary to the Committee Meetings. The Secretary will keep adequate minutes of the proceedings and report on actions taken in the subsequent meeting.

**Reporting**

The Committee will periodically report to the Board on various matters that it has considered.

**Compensation**

Members of the Committee shall receive such sitting fees and/or commission, if any, for their services as Committee members as may be determined by the Board.

**Review of Committee Charter**

The adequacy of this Charter shall be reviewed and reassessed by the Board of Directors from time to time, as it may seem appropriate (based on changes that may be brought about to the regulatory framework or otherwise).

TCHFL Risk Management Charter V 1.3 November 2020
CHARTER FOR THE RISK MANAGEMENT COMMITTEE OF BOARD OF TCHFL

Compliance with the Committee Charter

The Chairman of the Committee shall confirm annually to the Board that all responsibilities outlined in this Charter have been carried out.

Committee Evaluation

The Committee shall undergo an annual self-evaluation of its performance and report the result to the Board. Indicative areas for evaluation as part of this exercise include:

- Degree of fulfilment of key responsibilities,
- Adequacy of Committee composition,
- Effectiveness of meetings,
- Committee dynamics,
- Quality of relationship of the Committee with the Board and the Management.

Risk Management Department

The Board shall put in place policies to safeguard the independence of the CRO. In this regard, the CRO shall have direct reporting lines to the MD / RMC of the Board. In case the CRO reports to the MD, the RMC/Board shall meet the CRO without the presence of the MD, at least on a quarterly basis. The Roles and Responsibilities of the Chief Risk Officer- TCHFL is attached herewith as Annexure A.

The following committees (internal / board) will have responsibilities as outlined below as a part of comprehensive risk management:

A. Asset Liability Management Committee of the Board (ALCO): ALCO shall review the Liquidity Risk and Interest Rate Risk on a regular basis and suggest necessary actions based on its view and expectations on the liquidity and interest rate profile.

The Board has delegated the responsibility of managing overall liquidity risk and interest rate risk management to ALCO which shall review the Liquidity Risk and Interest Rate Risk on a regular basis and suggest necessary actions based on its view and expectations on the liquidity and interest rate profile.

ALCO shall comprise of Managing Director, Directors. ALCO shall invite other officials as and when required.

Liquidity Risk

Liquidity risk is the risk resulting from an organization’s inability to meet its obligations as they become due, because of difficulty in liquidating assets (market liquidity risk) or in obtaining adequate funding (funding liquidity risk). The assessment include analysis of sources and uses of funds, an understanding of the funding markets in which the entity operates and an
assessment of the efficacy of a contingency funding plan for events that could arise.

Liquidity Risk Measurement:

- For measuring and managing net funding requirements, the use of a maturity ladder and calculation of cumulative surplus or deficit of funds at selected maturity dates shall be adopted as a standard tool.
- The format of the Statement of Structural Liquidity suggested by the National Housing Bank (NHB) will be adopted.

Interest Rate Risk

Interest rate risk is the risk where changes in market interest rates might adversely affect the entity’s financial condition. The immediate impact of changes in interest rate is on the Net Interest Income (NII). A long term impact of changing interest rates is on our net worth as the economic value of the entity’s assets, liabilities and off-balance sheet positions get affected due to variation in market interest rates.

Interest Rate Risk Measurement:

- Earnings perspective involves analyzing the impact of changes in interest rates on accrual or reported earnings in the near term. This is measured by measuring the changes in the Net Interest Income (NII) or Net Interest Margin (NIM) i.e. the difference between the total interest income and the total interest expense.

- Economic Value perspective involves analyzing the expected value of cash flows on assets minus the expected value of cash flows on liabilities plus the net cash flows on off-balance sheet items. It focuses on the risk to net worth arising from all repricing mismatches and other interest rate sensitive positions. The economic value perspective identifies risk arising from long-term interest rate gaps.

ALCO shall delegate the responsibility of liquidity management and Interest risk management to various departments to manage measure, monitor and report the risk.

B. Retail Housing Finance Business: There is a Committee approval structure as approved by the Board for the Retail Housing Finance Business.

<table>
<thead>
<tr>
<th>Name of the Committee</th>
<th>Members</th>
<th>Quorum</th>
</tr>
</thead>
</table>
| Lending Committee     | • Managing Director, TCHFL  
• At least 3 Non-Executive Directors | Any 2 members with one Independent Director being mandatory. |
CHARTER FOR THE RISK MANAGEMENT COMMITTEE OF BOARD OF TCHFL

<table>
<thead>
<tr>
<th>Designation / Committee</th>
<th>Authority per transaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit Manager (CM)</td>
<td>≤ ₹ 0.50 crore for all profiles and programs</td>
</tr>
<tr>
<td>Senior Credit Manager (SCM)</td>
<td>≤ ₹ 1 crore for all profiles and programs</td>
</tr>
<tr>
<td>Regional Credit Manager (RCM)</td>
<td>≤ ₹ 2 crore for all profiles and programs</td>
</tr>
<tr>
<td>Zonal Credit Manager (ZCM)</td>
<td>≤ ₹ 2.50 crore for all profiles and programs</td>
</tr>
<tr>
<td>National Credit Manager (NCM)</td>
<td>≤ ₹ 3.50 crore for all profiles and programs</td>
</tr>
<tr>
<td>Chief Credit Officer and Technical Valuation, Retail Housing Finance</td>
<td>≤ ₹ 5 crore for all profiles and programs</td>
</tr>
<tr>
<td>Credit Committee – 1 for Housing (“CC-1”)</td>
<td>≤ ₹ 10 crore</td>
</tr>
<tr>
<td>Credit Committee – 2 (“CC-2”)</td>
<td>≤ ₹ 15 crore</td>
</tr>
<tr>
<td>Lending Committee</td>
<td>&gt; ₹ 15 crore</td>
</tr>
</tbody>
</table>

C. **Structured Finance and Securitisation (“SF & S”):** There is a Committee approval structure as approved by the Board for Structured Finance and Securitisation transactions.

<table>
<thead>
<tr>
<th>Name of the Committee</th>
<th>Members</th>
<th>Quorum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lending Committee</td>
<td>• Managing Director, TCHFL&lt;br&gt;• At least 3 Non-Executive Directors</td>
<td>Any 2 members with one Independent Director being mandatory.</td>
</tr>
<tr>
<td>CC-2 (SF&amp;S)</td>
<td>• Chairman of the Board, TCHFL&lt;br&gt;• MD-TCHFL&lt;br&gt;• Chief Credit Officer-Retail Housing Finance&lt;br&gt;• Chief Credit Officer-Construction Finance&lt;br&gt;• Chief Financial Officer, TCHFL&lt;br&gt;• Chief Risk Officer, TCHFL</td>
<td>Any 3 members with Chairman of the Board, TCHFL and MD TCHFL being mandatory.</td>
</tr>
</tbody>
</table>
CHARTER FOR THE RISK MANAGEMENT COMMITTEE OF BOARD OF TCHFL

<table>
<thead>
<tr>
<th>Designation</th>
<th>Structured Finance</th>
<th>Securitization Per Originator &amp; Originator Group</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Individual Deal Size</td>
<td>Total Amount in Financial Year</td>
</tr>
<tr>
<td>Credit Committee-1 for SF &amp; Securitization (“CC-1 (SF&amp;S)”</td>
<td>≤ ₹ 20 crore</td>
<td>≤ ₹ 50 crore</td>
</tr>
<tr>
<td>CC-2 (SF&amp;S)</td>
<td>≤ ₹ 60 crore</td>
<td>≤ ₹ 100 crore</td>
</tr>
<tr>
<td>Lending Committee</td>
<td>&gt; ₹ 60 crore</td>
<td>&gt; ₹ 100 crore</td>
</tr>
</tbody>
</table>

These committees approve the proposals in line with the DOA approved by the Board.

D. Construction Finance Business: There is a Committee approval structure as approved by the Board for the Construction Finance (“CF”) Business.

<table>
<thead>
<tr>
<th>Name of the Committee</th>
<th>Members</th>
<th>Quorum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lending Committee: (Committee of the Board)</td>
<td>Managing Director, TCHFL At least 3 Non-Executive Directors</td>
<td>Any 2 members with one Independent Director being mandatory.</td>
</tr>
<tr>
<td>Credit Committee: 2 CF (Management Committee: CC2 CF)</td>
<td>Chairman of the Board, TCHFL MD-TCHFL Chief Credit Officer - Retail Housing Finance Chief Credit Officer, Construction Finance Chief Financial Officer, TCHFL Chief Risk Officer, TCHFL Head – Debt Management and Operations</td>
<td>Any 3 members with Chairman of the Board, TCHFL and MD-TCHFL being mandatory.</td>
</tr>
<tr>
<td>Credit Committee-1 CF (Management Committee: CC1 CF)</td>
<td>MD-TCHFL Chief Credit Officer - Retail Housing Finance</td>
<td>Any 3 members with MD-TCHFL and either of the Chief Credit Officer being mandatory.</td>
</tr>
</tbody>
</table>

TCHFL Risk Management Charter V 1.3 November 2020
CHARTER FOR THE RISK MANAGEMENT COMMITTEE OF BOARD OF TCHFL

<table>
<thead>
<tr>
<th>Name of the Committee</th>
<th>Approving Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit Committee-1 CF (CC-1 CF)</td>
<td>≤ ₹ 20 Cr</td>
</tr>
<tr>
<td>Credit Committee-2 CF (CC-2 CF)</td>
<td>&gt; ₹ 20 Cr and</td>
</tr>
<tr>
<td></td>
<td>≤ ₹ 60 Cr</td>
</tr>
<tr>
<td>Lending Committee of the Board</td>
<td>&gt; ₹ 60 Cr</td>
</tr>
</tbody>
</table>

These committees approve the proposals in line with the DOA approved by the Board.

E. Operational Risk Management Committee (ORMC):

Operational Risk has been defined as: “The risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.” This definition includes legal risk, but excludes strategic and reputation risk. This definition is based on the underlying causes of operational risk. It seeks to identify why a loss has happened and at the broadest level includes the breakdown by four causes: people, processes, systems and external factors.

Group ORMC is the oversight committee for operational risk; committee members include TCL CFO, Chief Risk Officer - TCL, Chief Human Resources Officer - TCL and Head - Legal & Compliance - TCL. TCHFL CFO is a TCHFL representative in the committee. Chief Internal Auditor & Heads of Businesses to be special invitees and will be invited whenever required Operational risk management policy covers composition, meeting & quorum. The committee shall:

- Approve operational risk management policy and amendments to the operational risk management policy.
- Approve Insurance management framework.
- Approve corrective actions on operational risk incidents, based on analysis of the KRIs, operational risk process reviews, etc.

F. Fraud Risk Management Committee (FRMC):

Group FRMC is the oversight committee for fraud risk; committee members include TCL CFO, Chief Risk Officer - TCL, Chief Human Resources Officer - TCL and Head – Legal & Compliance - TCL. TCHFL CFO is a TCHFL representative in the committee.

Fraud risk management policy covers composition, meeting & quorum.

Incidence of fraud is viewed by the management as a matter of serious concern and it is our primary responsibility to build up a strong and effective fraud risk management framework to prevent frauds.
"Fraud" means and includes any of the following acts committed by a party to contract, or with his connivance, or by his agents, with intent to deceive another party thereto his agent, or to induce him to enter into the contract:

- The suggestion as a fact, of that which is not true, by one who does not believe it to be true;
- the active concealment of a fact by one having knowledge or belief of the fact;
- a promise made without any intention of performing it;
- any other act fitted to deceive;
- any such act or omission as the law specially declares to be fraudulent.

The committee shall:

- Review matters related to fraud risk and approve/recommend actions against frauds.
- Review the frauds reported and investigated for TCL and all its subsidiaries.
- Review progress on outstanding frauds.

G. **Information and Cyber Risk Management**: Information Security policy is designed to protect Information and Information Systems from unauthorized access, use, disclosure, disruption, modification, or destruction in order to provide Confidentiality, Integrity, Availability, Authenticity while, the Cyber Security policy is designed to Prevent, Detect, Respond and Recover in an effective manner, from Cyber Attacks arising out of the various threat vectors, with the sole objective of building Organisational Resilience.

Technology Risk management is carried out as per the guidance under the ‘Information Technology Framework for HFCs – Guidelines’ for Housing Finance Companies. Security Operations Center (SOC) is established for security incident and events management (SIEM). Vulnerability and Risk assessments are carried out on an annual basis. The assessment process is common across Information Risk as well as Cyber Security Risks. The results of the assessments are shared with the respective stakeholders and placed at the ORMC and RMC for review.
### Key Responsibilities of the Role:

- The **Chief Risk Officer (CRO)** is responsible for enabling the efficient and effective governance of significant risks to the business of the TCHFL and its various segments.
- CRO is responsible for the company's risk management practices evaluating, managing and reporting the external and internal risks to the organization.
- CRO shall be involved in the process of identification, measurement and mitigation of risks. All credit products (retail or wholesale) shall be vetted by the CRO from the angle of inherent and control risks. The CRO’s role in deciding credit proposals shall be limited to being an advisor.

### Major Deliverables:

- Define the Risk Policy for the company and obtain due approvals for the same from the Risk Committee of the Board. The Risk Policy to cover strategic, reputational, operational, financial, cyber and compliance-related risks.
- Assist the business team in identification of markets, products and processes in line with the Risk Policy of the company.
- Identify and analyze risks related to broader loan portfolio and ensure portfolio quality.
- Establish risk thresholds for various risks factors and exposures (e.g. borrowers’ limits, exposure limits, customer category, ticket size, etc.) in partnership with the business.
- Develop the systems for risk analysis of credit proposals, risk documentation and loan approval process.
- Vote on loan proposals when invited as a member of a credit committee.
- Develop qualitative and quantitative risk models for assessing risk and report the performance on risk parameters to the Executive Management and the Board.
- Build early warning signals for key risk parameters.
- Leverage technology to predict risk outcomes.
- Build and implement cybersecurity strategy.
- Strategize and implement fraud risk management framework.
- Working effectively with the business to institutionalize best practices for risk management.
- Embed a culture of informed risk-taking through training, communication and promotion of agreed risk frameworks.
CHARTER FOR THE ASSET LIABILITY COMMITTEE OF THE BOARD OF TATA CAPITAL HOUSING FINANCE LIMITED

1. Applicability

Setting up of an Asset Liability Committee ("ALCO") of the Board of Directors ("Board") is required under the Guidelines on Asset Liability Management ("ALM") System for Housing Finance Companies ("HFC") issued by the National Housing Bank ("NHB").

2. Objective of the Asset Liability Committee

The ALCO of the Board of Tata Capital Housing Finance Limited ("TCHFL") shall oversee the implementation of the ALM system and shall periodically review its functioning in line with the requirements / Directions / Guidelines issued, from time to time, by the NHB for HFCs.

3. Composition

3.1 The ALCO shall comprise the Managing Director and any two other Directors as Members.

3.2 The Chairman of the ALCO shall be a Non-Executive Director of the Company.

4. Meetings and Quorum

4.1 The ALCO shall meet at least once in every quarter.

4.2 The quorum for Meetings of the ALCO shall be one third of the members of the Committee or two members, whichever is higher.

4.3 The Committee may invite such executives, as it considers appropriate, to be present at meetings of the Committee. However, the following shall be permanent invitees to meetings of the Committee:

   (i) Chief Financial Officer ("CFO")
   (ii) Chief Risk Officer ("CRO")
   (iii) CFO, Tata Capital Limited ("TCL")
   (iii) Chief Information Officer(s) ("CIO")
   (iv) CRO, TCL
   (v) Head – Treasury, TCL
   (vi) CIO, TCL

4.4 The Company Secretary shall act as Secretary to the ALCO. The Secretary will, inter alia, keep minutes proceedings of Meetings of the Committee and report the actions taken on matters arising out of earlier meetings.

5. Role and Powers

The Committee will, inter alia, specifically oversee the following:

a) Compliance with NHB Prudential Norms/Directions/Guidelines for Asset Liability Management.
b) Debt Composition and fund raising plan of the Company.
c) Resource Raising Policy of the Company.
d) Pricing of loans.
e) Interest rate risk/liquidity risk analysis.

The Committee shall have the powers to:

- to determine the Prime Lending Rates of the Company from time to time in accordance with the Policy for determining Interest Rates, Processing and Other Charges.
- investigate any activity within the scope of this Charter or referred to it by the Board.
- seek any information or explanation from any employee of the Company, relating to matters under its coverage.
- ask for any records or documents of the Company.
- engage independent consultants and other advisors and seek their advice.
- carry out such other functions as may delegated by the Board from time to time.

6. Reporting

The Committee will periodically report to the Board on various matters that have been referred to the Committee.

7. Compensation

Members of the Committee shall receive such sitting fees, if any, for their services as Committee members as may be determined by the Board at its sole discretion.

8. Review of Committee Charter

The adequacy of this Charter shall be reviewed and reassessed by the Board of Directors from time to time, as it may seem appropriate (based on changes that may be brought about to the regulatory framework or otherwise).

9. Compliance with the Charter

The Chairman of the Committee shall confirm annually to the Board that all responsibilities outlined in this Charter have been carried out.

10. Committee Evaluation

The Committee shall undergo an annual self-evaluation of its performance and report the result to the Board. Indicative areas for evaluation as part of this exercise include:

- Degree of fulfilment of key responsibilities,
- Adequacy of Committee composition,
- Effectiveness of meetings,
- Committee dynamics,
- Quality of relationship of the Committee with the Board and the Management.
1. **Objective**

The Lending Committee ("Committee") of the Board of Directors ("Board") of Tata Capital Housing Finance Limited ("Company") shall approve financing proposals related to lending / investment business of the Company.

2. **Composition**

The Committee shall comprise the Managing Director and at least three Non-Executive Directors, one of which shall be an Independent Director, as Members.

3. **Meetings and Quorum**

3.1. The Committee shall meet as may be required.

3.2. The quorum for Meetings of the Committee shall be any two members, such that at least one of them is an Independent Director.

3.3. The Company Secretary shall act as Secretary to the Committee. The Secretary will, *inter alia*, keep minutes of the proceedings and report on actions taken in the subsequent meetings.

4. **Role and Powers**

The Committee shall have the powers to:

a) Approve financing proposals related to Developer Funding above Rs. 60 crore.

b) Approve financing proposals related to Home Loans and Home Equity above Rs. 15 crore.

c) Approve financing proposals related to Structured Finance above Rs. 60 crore.

d) Approve financing proposals related to Securitisation above Rs. 100 for individual transaction per Originator/ Originator Group and total amount of Securitisation exceeding Rs. 250 crore in a financial year.

e) Recommend to the Board any financing proposal above the authority of the Lending Committee.

f) Carry out such other functions as may be delegated by the Board from time to time.
5. **Reporting**

The Committee will periodically report to the Board on various matters that have been referred to the Committee.

6. **Compensation**

The Members of the Committee shall receive such sitting fees, if any, for their services as Committee Members as may be determined by the Board at its sole discretion.

7. **Review of Committee Charter**

The adequacy of this Charter shall be reviewed and reassessed by the Board of Directors from time to time, as it may seem appropriate (based on changes that may be brought about to the regulatory framework or otherwise).

8. **Compliance with the Charter**

The Chairman of the Committee shall confirm annually to the Board that all responsibilities outlined in this Charter have been carried out.

9. **Committee Evaluation**

The Committee shall undergo an annual self-evaluation of its performance and report the result to the Board. Indicative areas for evaluation as part of this exercise include:

- Degree of fulfilment of key responsibilities,
- Adequacy of Committee composition,
- Effectiveness of meetings,
- Committee dynamics,
- Quality of relationship of the Committee with the Board and the Management.
CHARTER FOR THE INFORMATION TECHNOLOGY STRATEGY COMMITTEE 
OF THE BOARD OF DIRECTORS OF TATA CAPITAL HOUSING FINANCE LIMITED

1. Applicability

The Information Technology (“IT”) Strategy Committee (“Committee”) of the Board of Directors (“Board”) of Tata Capital Housing Finance Limited (“Company”) is constituted pursuant to the ‘Information Technology Framework for HFCs – Guidelines’ for Housing Finance Companies dated June 15, 2018, issued by the National Housing Bank (“NHB IT Guidelines”).

2. Objectives

The Committee shall carry out 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 deliberations of the Committee may be placed before the Board. The Committee shall work in partnership with other Board Committees and Senior Management to provide inputs.

3. Composition

3.1 The Committee shall comprise of the following:
   a) At least one Independent Director;
   b) At least one Non-Executive Director;
   c) the Managing Director, if any;
   d) the Chief Information Officer (“CIO”) and
   e) the Chief Technology Officer (“CTO”), if any.

3.2 The Chairperson of the Committee shall be an Independent Director of the Company.

4. Meetings and Quorum

4.1 The Committee shall meet at least twice in a financial year and not more than six months should elapse between two Meetings.

4.2 Any two Directors and CIO and CTO (if any) (to be present for all the Meetings), shall be the quorum for Committee Meetings.

4.3 The Committee may invite such of the executives, as it considers appropriate, to be present at Meetings of the Committee. However, the following shall be permanent invitees to Meetings of the Committee:

   a) Ms. Aarthi Subramanian, Director, Tata Capital Limited (“TCL”), the holding company and Group Chief Digital Officer, Tata Sons Private Limited, the ultimate holding company;
b) CIO (irrespective of the Tata Capital entity in which he/she is appointed);
c) CTO (irrespective of the Tata Capital entity in which he/she is appointed);
d) Chief Risk Officer, TCL;
e) Chief Information Security Officer (irrespective of the Tata Capital entity in which he/she is appointed); and
f) Technology Head - Enterprise Architecture & IT Governance (irrespective of the Tata Capital entity in which he/she is appointed).

4.4 The Company Secretary shall act as Secretary to the Committee. The Secretary will, inter alia, keep minutes proceedings of Meetings of the Committee and report the actions taken on matters arising out of earlier meetings.

5. Roles and Powers

The Committee shall have the following roles and powers:

(a) To approve IT strategy and policy documents and ensure that the Management puts an effective strategic planning process in place;
(b) To ascertain that the Management had implemented processes and practices that ensure that the IT delivers value to the business;
(c) To ensure IT investments represent a balance of risks and benefits and that budgets are acceptable;
(d) Monitor the method that the Management used to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
(e) To ensure proper balance of IT investments for sustaining the Company’s growth and being aware about exposure towards IT risks and controls;
(f) To constitute the Steering Committee and review the discussions of the said Committee periodically;
(g) To institute an effective governance mechanism and risk management process for all outsourced IT operations and to do all such acts as may be required under the NHB IT Guidelines in respect of the outsourced IT operations;
(h) To do any or all things that may be done by the Board of Directors in accordance with the NHB IT Guidelines, as amended from time to time;
(i) To do such other things related to IT as may be recommended by the Board of Directors to the Committee;
(j) To review the IT / Information Systems (“IS”) Audit report and provide its observation/recommendations to the Board;
(k) To review the IS audit framework and recommend changes, if any, to the Board;
(l) To recommend the appointment of IT/IS auditor to the Board, as the case may be; and
(m) To approve engagement of any external service provider for IS audit services.
6. Reporting

The Committee will periodically report to the Board on various matters that have been referred to the Committee.

7. Compensation

Sitting Fees for the Meetings of the Committee shall be paid to the Independent Directors and the Non-Executive Directors (other than Managing Director or employees of Tata Capital Limited and its subsidiaries) as approved by the Board of Directors of the Company for any Committee constituted by the Board. Sitting fees shall not be paid to the Permanent Invitees for the Committee Meetings.

8. Review of Committee Charter

The adequacy of this Charter shall be reviewed and reassessed by the Board of Directors from time to time, as it may seem appropriate (based on changes that may be brought about to the regulatory framework or otherwise).

9. Compliance with the Charter

The Chairman of the Committee shall confirm annually to the Board that all responsibilities outlined in this Charter have been carried out.

10. Committee Evaluation

The Committee shall undergo an annual self-evaluation of its performance and report the result to the Board. Indicative areas for evaluation as part of this exercise include:

- Degree of fulfilment of key responsibilities,
- Adequacy of Committee composition,
- Effectiveness of meetings,
- Committee dynamics,
- Quality of relationship of the Committee with the Board and the Management.
1. Applicability

Setting up of Stakeholders Relationship Committee (“SRC”) of the Board is required in terms of Section 178 of the Companies Act, 2013 and the Rules framed thereunder as also the Governance Guidelines on Board Effectiveness, from time to time.

2. Composition

The SRC shall comprise such number of Directors as may be decided by the Board, with at least 1 Independent Director and a Non-Independent Non-Executive Director, as Members with the Chairman being a Non-Executive Director.

3. Meetings and Quorum

3.1 The SRC shall meet at least once a year.

3.2 The quorum for Meetings of the SRC shall be one third of the members of the SRC or two members, whichever is higher.

3.3 The Company Secretary shall act as the Secretary to the SRC. The Secretary will, inter alia, keep minutes of proceedings of Meetings of SRC and report the actions taken on matters arising out of earlier meetings.

4. Role and Powers

The SRC shall have the powers to:

- Review statutory compliances relating to the holders of securities issued by the Company.
- Consider and resolve the grievances of the holders of securities issued by the Company, including complaints related to transfer of securities, non-receipt of Annual Report/declared dividends/Notices, etc.
- Oversee compliances in respect of dividend payments and transfer of unclaimed amounts to the Investor Education and Protection Fund
- Oversee and review matters related to the transfer of securities issued by the Company
- Approve issuance of duplicate certificates of securities issued by the Company
- Review movements in shareholding and ownership structure of the Company
- Ensure setting up of proper controls on the performance of the Registrar and Share Transfer Agent and oversee the same
- Recommend measures for overall improvement of the quality of investor services.
- Carry out such other functions as may be delegated by the Board from time to time.

5. Reporting

The SRC will periodically report to the Board on various matters that have been referred to the Committee.

6. Compensation
TATA CAPITAL HOUSING FINANCE LIMITED

The Members of the SRC shall receive such sitting fees, if any, for their services as Committee Members as may be determined by the Board at its sole discretion.

7. Review of Committee Charter

The adequacy of this Charter shall be reviewed and reassessed by the Board of Directors from time to time, as it may seem appropriate (based on changes that may be brought about to the regulatory framework or otherwise).

8. Compliance with the Charter

The Chairman of the Committee shall confirm annually to the Board that all responsibilities outlined in this Charter have been carried out.

9. Committee Evaluation

The Committee shall undergo an annual self-evaluation of its performance and report the result to the Board. Indicative areas for evaluation as part of this exercise include:

- Degree of fulfilment of key responsibilities,
- Adequacy of Committee composition,
- Effectiveness of meetings,
- Committee dynamics,
- Quality of relationship of the Committee with the Board and the Management.