



HOME DEVELOPMENT MUTUAL FUND BOARD RISK AND CAPITAL COMMITTEE CHARTER

I. PURPOSE

In line with the principle of good governance, the Board Risk and Capital Committee is established to assist the Board in the oversight of the Fund's capital management and risk management, including overseeing the management of credit risk, market risk, liquidity risk, and operational risk.

II. COMPOSITION

The Board Risk and Capital Committee shall consist of five (5) Trustees who shall be selected from among its ranks. The Committee shall be composed of a Chairman, a Vice-Chairman, and three members.

III. RESPONSIBILITIES AND DUTIES

The Committee shall have the following duties and responsibilities:

1. Recommend for Board approval enterprise risk governance policies, risk appetite and bench marks for each risk category, with focus on overall aggregate risk, consistent with the mission, safe and sound operation of the Fund
2. Oversee the development of policies designed to:
 - a. Define, identify, measure, and report on all pertinent risk categories;
 - b. Establish and communicate risk management controls; and
 - c. Ensure the sufficiency of personnel, systems, procedures and other risk management capabilities.
3. Oversee the development of policies governing current and projected capital levels as they relate to applicable regulatory requirements and economic capital, capital allocation and changes in capital positions
4. Receive periodic reports from management on matters relating to risk and capital pursuant to a schedule that the BRCC shall develop in consultation with management
5. Act on risk reports by management.

IV. MEETINGS

The Committee will meet at least monthly, every 3rd Thursday of the month, and may convene additional meetings, as circumstances may require. The Secretariat shall, upon consultation with the Chairman and Senior Management, prepare an agenda in advance of each meeting. Three (3) members present shall constitute a quorum.

The Vice-Chairman shall preside at the meeting of the Committee in the absence of the Chairman.

As and when appropriate, the HDMF Chief Executive Officer and/or other members of management may be requested to attend the Committee meetings.

V. FUNCTIONAL AND SECRETARIAT SUPPORT

The Finance Group shall support the BRCC in the rendition of its functions, through:

1. Provision of secretariat support to the Committee;
2. Attendance by assigned personnel to Committee meetings and responsibility for recording the minutes of the meeting; and
3. Safekeeping of minutes of meetings as well as reports received from management and/or other sources, and making these available for inspection by any member of the Committee or the Board, as and when needed.

VI. REPORTING

The Chairman of the Committee may report its activities to the full Board on a regular basis and to make such recommendations with respect thereto and other matters as the Committee may deem necessary or appropriate.

VII. CHARTER REVIEW

The BRCC shall review and reassess the suitability and continuing adequacy of this Charter at least once a year, or when necessary, to align with the Fund's business objectives.

VIII. EFFECTIVITY

This Charter shall take effect upon its approval by the Board.