

Corporate Office: Plot No. A9, Sector 3, Noida - 201301
Registered Office: CP-3, Sector-8, IMT Manesar,
Gurgaon, Haryana-122051
Tel: +91 120 4306000 Fax: +91 120 4310288
CIN: U65923HR2008PTC046947

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CHIEF RISK OFFICER INDEPENDENCE POLICY

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Reviewed By	CCO
Approved By	Board of Directors
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The Reserve Bank of India has mandated NBFCs with asset size of more than INR 5,000 crores to appoint a Chief Risk Officer("CRO") who will function independently to ensure the highest standards of risk management. The RBI directed that the Board put in place policies to safeguard the independence of the CRO.

Appointment :

- (a) The Board shall appoint and/ or designate a senior official in the hierarchy of NBFC and shall possess adequate professional qualification/experience in the area of risk management.
- (b) The CRO shall be appointed for a fixed tenure with the approval of the Board. The CRO can be transferred/ removed from his post before completion of the tenure only with the approval of the Board and such premature transfer/ removal shall be reported to the Department of Non-Banking and such premature transfer/ removal shall be reported to the Department of Non-Banking Supervision of the regional office of the Bank under whose jurisdiction the NBFC is registered.

Role of CRO

- (a) The CRO shall undertake such duties or perform such roles or exercise such powers as entrusted to it by the Board, in accordance with the Applicable Laws.
- (b) The CRO shall be involved in the process of identification, measurement and mitigation of risks.
- (c) The CRO shall also vet the credit policies of the company. The CRO shall be an advisor in deciding credit proposals.

Independence of CRO will be achieved through the following policy measures.

In line with the RBI circular requiring NBFCs to have a robust policy for safeguarding the Independence of CRO, it is stipulated that:

- The CRO shall have direct reporting lines to Managing Director & CEO.
- The Board members shall meet the CRO without the presence of the Managing Director & CEO, atleast on a quarterly basis.
- The CRO shall not have any reporting relationship with the business verticals of the NBFC and shall not be given any business targets.
- There shall not be any "dual hatting" i.e. the CRO shall not be given any other responsibility.

The Board of Directors shall review and update the policy in the light of amendments in applicable regulations.

