

NATIONAL HOUSING FINANCE AND INVESTMENT CORPORATION EXECUTIVE RISK COMMITTEE CHARTER

February 2021

DOCUMENT VERSION CONTROL

1.0 ERC Charter	1 February 2021	Charter approved in ERC Meeting 1
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DOCUMENT REVIEW AND APPROVAL

1.0	TBA
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BOARD AND COMMITTEE APPROVAL

1.0	TBA
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Purpose, Role and Functions

The CEO of the National Housing Finance and Investment Corporation (NHFIC) has established an Executive Risk Committee (ERC) as it is sound governance for an organisation to establish and maintain appropriate systems and internal controls for the oversight and management of risk. In addition, NHFIC's risk management framework must respond to NHFIC's PGPA Act obligations and the ERC is a key component of NHFIC's approach to risk management.

Responsibilities

The Committee will be responsible for identifying and monitoring significant risks to NHFIC, maintaining and promoting NHFIC's risk management frameworks and policies, managing risks in line with those frameworks and policies, and implementing and overseeing control processes and risk mitigation strategies. The Committee will act as a forum for the discussion of significant risks and issues. It reports to the Accountable Authority and the NHFIC Board Audit and Risk Committee (ARC).

More specifically, the ERC will:

- review the content, application and compliance with NHFIC's risk management framework, policy and plan;
- monitor alignment with, and provide recommendations in respect of the NHFIC's risk appetite, tolerance, and system of risk oversight;
- monitor and assess NHFIC's organisation-wide risk profile and exposure to significant risks
- monitor emerging and material shared risk, issues, compliance breaches and incidents including those in key projects;
- oversee the effective operation of the Business Continuity, Pandemic and Disaster Recovery Plans;
- monitor NHFIC's enterprise-wide risk management and compliance programs and recommend policies for the governance and management of enterprise-wide risks to the ARC
- identify opportunities to enhance consistency across the NHFIC, including more effective ways of managing similar risks, or categories of risk, from an entity-wide perspective.
- review reports from management, external auditors, internal auditors, legal counsel, regulators and consultants, as appropriate, regarding the risks the company faces and the company's management of those risks
- provide the ARC with regular reports on significant risks facing NHFIC

Membership

The ERC will consist of the CEO and direct reports. The CEO will chair the ERC.

Participation of non-members

NHFIC's internal and external auditors and EFA and NHFIC's employees may attend ERC meetings as invitees.

Meetings

The ERC will hold meetings on a regular basis as determined by the CEO.

Quorum

A quorum consists of a majority of ERC members attending the meeting in person or via electronic means.

Minutes

The NHFIC Board secretary, or delegate, will keep minutes of ERC meetings. The minutes, or relevant extracts from them, will be provided to the ARC within the Risk Management Report.

Internal audit

NHFIC's internal auditors will be invitees to the ERC and able to provide an overview of internal audit reports.

Access to the Executive Risk Committee

Any employee of NHFIC may have access to the Chair of the ERC in relation to any matter within the ERC's functions.

Reporting

The ERC will provide a report (copy of the ERC Minutes) to the ARC. In addition, the ERC will provide an annual statement¹ to the ARC that the NHFIC's risk management framework is operating and that breaches have been reported to the ARC.

Review of performance

The ERC will review the scope and effectiveness of its activities at least every two years. The review will incorporate the input from relevant stakeholders and the Chair of the ARC will be provided with a report on the review to NHFIC's ERC operation and Charter.

Conflicts of interest

Details of the procedures to manage committee members' conflicts are set out in the 'NHFIC's Disclosure of Interest Policy'.

Review of the charter

The ERC will review its performance against this charter annually and will review the terms of this charter at least annually.

¹ In the form of a statement to the ARC in a form that aligns with the ARC's confirmation to the Board