

Roles and responsibilities of CXO's

As per SEBI circular bearing reference number SEBI/HO/IMD/IMD-1 DOF2/P/CIR/2021/630 on Risk Management Framework dated September 27, 2021, AMC's need to disclose the roles & responsibility related to risk management of the CXO's on their website. As per the circular the CXO's are the "Head of Department" or official of the AMC up to one level below CEO, other than CRO.

Below are the roles and responsibility of the CXO's of L&T Investment Management Limited related to the risk management

Roles and responsibilities of the CIO

Below are the roles and responsibilities of the CIO:

- i. Daily management of risk and necessary reporting relating to Investment risk of all scheme(s) such as market risk, liquidity risk, credit risk etc. and other scheme specific risks (Compliance Risk, Fraud Risk, etc.).
- ii. In respect of all schemes, the CIO should ensure:
 - a) adherence to the guidelines pertinent to SEBI in respect of RMF and relevant principles thereunder including risk identification, risk management, risk reporting (both periodic and escalation of material incident) and corrective actions taken, if any.
 - b) defining specific responsibility of Fund Managers.
 - c) adherence to risk appetite framework - maintain risk level for schemes.
- iii. CIO will calculate the overall risk by taking in to account the weighted average of
 - a) the risk-o-meter and
 - b) the events of defaults.

Both (a) and (b) will be calculated in terms of a number taking into account the risk-o-meter and events of defaults or early mortality of investments which may inter alia include credit default, change in yield, change in NAV, external shock or unusual redemptions, etc. to quantify the overall risk.

- iv. The CIO shall escalate the corrective actions taken, if any, to the CEO and the CRO.

Roles and responsibilities of the Fund Manager

Below are the roles and responsibilities of the Fund Manager (FM):

- i. The FM shall be responsible for daily management of investment risk of managed scheme(s) such as market risk, liquidity risk, credit risk and other scheme specific risks and appropriate risk reporting of any risk related event to CIO.
- ii. In respect of schemes managed by him/her, the FM shall ensure:
 - a) adherence to relevant SEBI guidelines in respect of RMF and relevant principles thereunder including risk identification, risk management, reporting and corrective actions etc.
 - b) adherence to risk appetite statement to maintain appropriate risk level for schemes.
 - c) If there is any need of change in the risk appetite of the scheme within the PRC of that particular scheme, the same is to be with the approval of the CIO.
- iii. The FM shall take corrective action, if required, as per the approved DoP and escalate major risk related event to the CIO.

Roles and responsibilities of the CXOs

Below are the roles and responsibilities of the CXOs:

- i. The CXOs shall be responsible for the governance of the respective risk types.
- ii. In respect of respective risk type, the CXOs shall ensure:
 - a) Adherence to the guidelines pertinent to SEBI in respect of RMF and relevant principles thereunder including risk identification, risk management, risk reporting (both periodic and escalation of material incident) and corrective actions taken.
 - b) Defining specific responsibility regarding risk management of key personnel reporting to them.
 - c) Maintaining risk level as per the risk metric.
- iii. The CXOs shall take immediate corrective action for non-compliance or major finding post approval from CEO as per DoP and shall report to CRO regarding the risk reports.
- iv. The CXO shall escalate to CEO and the CRO any major findings reported by respective risk management function.