


BDR19(03)

**BY THE BOARD OF DIRECTORS
OF
THE U.S. INTERNATIONAL DEVELOPMENT FINANCE CORPORATION**

BE IT RESOLVED, that the Charter of the Risk Committee of the Board attached hereto is hereby adopted.

Approved by the Board of Directors
on June 12, 2019


Catherine F. I. Andrade
Corporate Secretary

U.S. INTERNATIONAL DEVELOPMENT FINANCE CORPORATION

Charter for the Risk Committee of the Board of Directors

Pursuant to Article IV, Section 2 of the U.S. International Development Finance Corporation (the “Corporation”) Bylaws (the “Bylaws”), as adopted by the Board of Directors (the “Board”) on June 12, 2019.

Purpose: The purpose of the Risk Committee is to assist the Board in fulfilling its oversight of responsibilities under section 1421(a) of the BUILD Act of 2018 (Div. F, PL 115-254) (the “Act”). Consistent with section 1441(b) of the Act, such functions shall include oversight of:

- a) formulating risk management policies of the operations of the Corporation;
- b) reviewing and providing guidance on operation of the Corporation’s global risk management framework;
- c) developing policies for enterprise risk management, monitoring, and management of strategic, reputational, regulatory, operational, developmental, environmental, social, and financial risks;
- d) developing the risk profile of the Corporation, including a risk management and compliance framework and governance structure to support such framework; and
- e) developing policies and procedures for assessing, prior to providing, and for any period during which the Corporation provides, support to any foreign entities, whether such entities have in place sufficient enhanced due diligence policies and practices to prevent money laundering and corruption to ensure the Corporation does not provide support to persons that are—
 1. knowingly engaging in acts of corruption;
 2. knowingly providing material or financial support for terrorism, drug trafficking, or human trafficking; or
 3. responsible for ordering or otherwise directing serious or gross violations of human rights.

Authority:

- a) The Risk Committee has authority to conduct or authorize reviews into any matters within its scope of responsibility.
- b) The Risk Committee is specifically empowered to:
 1. retain independent counsel, advisors or others to advise or assist in the conduct of its duties;

2. seek any information it requires from the Corporation's employees, all of whom are directed to cooperate with such requests;
3. meet with Board members, external advisors/auditors, or outside counsel, as necessary; and
4. discharge any other duties or responsibilities delegated to it by the Board.

Composition: The Risk Committee will consist of three members of the Board, other than the Chief Executive Officer. The Risk Committee members and the Chair will be appointed as provided in Article IV, Section 2 of the Bylaws.

Risk Committee members should have or obtain:

- a) expertise in risk governance and management, the risks the Corporation faces, and methods for managing such risks;
- b) expertise in business activities (including finance), processes and risks similar to the size and scope of those of the Corporation;
- c) expertise in risk committee functions; and
- d) the time, energy and willingness to serve as active contributors.

Meetings: The Risk Committee will meet periodically throughout the year at the call of the Chair as necessary to discharge its responsibilities, but not less than semiannually. A majority of the Risk Committee members (*i.e.*, two members) shall constitute a quorum. Members may attend meetings in person or via conference call or any other means by which all members may hear and respond to each other's statements contemporaneously.

Any Director specified in section 1413(b)(2)(B) of the Act (regardless of whether he or she serves on the Risk Committee) may appoint an official at such Director's agency to attend all meetings of the Risk Committee in an observer role.

Any Director specified in Section 1413(b)(2)(B) of the Act who serves on the Risk Committee, but who is unavailable to attend a meeting of the Risk Committee, may appoint another official at such Director's agency whose duties relate to the programs of the Corporation to attend and act in such Director's place at the Risk Committee meeting, and to vote on behalf of, or take any other action required or permitted to be taken by, such Director. The appointed official must serve in a position at or above the level of Assistant Secretary, or equivalent rank. Service in an Acting

capacity fulfils this requirement, as does performing the delegable duties of such a position.

The Risk Committee will invite members of management, contractors or others to attend meetings and provide pertinent information, as necessary or appropriate. The Risk Committee will hold private meetings and executive sessions as necessary. Minutes, meeting agendas and appropriate briefing materials will be prepared by the Corporation's management officials and provided in advance to the Risk Committee.

Committee
Duties and
Responsibilities:

The Corporation's management has the duties and responsibilities of risk assessment, monitoring, and management.

The Risk Committee has an independent oversight role and, in fulfilling that role, relies on reviews and reports provided by management, the Inspector General, the independent accountability mechanism, the Development Advisory Council, and any other sources of information or advice that the Committee deems relevant.

The Risk Committee's duties and responsibilities include the responsibilities identified in Section 1441(b) of the Build Act. The following illustrative activities may be undertaken to perform these duties and responsibilities:

- a) review, discuss with management and the Board, as appropriate, and provide guidance on:
 1. risk governance structure and framework;
 2. risk appetite statement;
 3. policies for enterprise risk assessment, monitoring, and management of, strategic, reputational, regulatory, operational, developmental, environmental, social and financial risks;
 4. reports developed by the independent accountability mechanism, the Inspector General, the Development Advisory Council, and other advisors or experts as the Risk Committee deems relevant;
 5. periodic reports on selected risk topics as the Risk Committee deems appropriate; and
 6. effectiveness of the system for monitoring the Corporation's compliance with laws and regulations and the results of management investigations and follow-up (including disciplinary action) of any instances of noncompliance.

- b) receive reports from management on the metrics used to measure, monitor, and manage risks, and management's views on acceptable and appropriate levels of exposures; and
- c) receive reports on the status of internal and external reviews and audits and reports from internal and external reviewers and auditors.

The Risk Committee will report its activities and recommendations to the Board. Such reports will be made as necessary, but not less than annually.

Management
Responsibilities:

Management shall provide support sufficient to allow the Risk Committee to carry out its duties and responsibilities.
Management shall facilitate the schedule of the Risk Committee such that all matters necessary to fulfilling the Risk Committee's duties and responsibilities are properly and timely brought before it.