

**MINDA INDUSTRIES LIMITED**  
**RISK MANAGEMENT COMMITTEE CHARTER**

**I. Purpose and authority**

The Risk Management Committee (‘the Committee’) is to be established by and among the Board to properly align with management as it embarks a risk management program. The primary responsibility of the committee is to oversee and approve the company-wide risk management practices and assist the board in:

- Overseeing that the executive team has identified and assessed all the risks that the organisation faces and has established a risk management processes/infrastructure capable of addressing those risks
- The Risk Management Committee shall review and approve the Enterprise Risk Management Framework of the Company.

The committee shall have the authority to conduct investigations into any matter within its scope of responsibility and obtain advice and assistance from outside legal, accounting, or other advisors/professionals with relevant expertise, as necessary, to perform its duties and responsibilities.

In carrying out its duties and responsibilities, the committee shall also have the authority to meet with and seek any information it requires from employees, officers, directors, or external parties. In addition, the committee may meet with other board committees to avoid overlap as well as potential gaps in overseeing the companies’ risks.

The committee will primarily fulfil its responsibilities by carrying out the activities enumerated in Section III of this charter.

**II. Composition and meetings**

The committee shall have minimum three members with majority of them being members of the board of directors, including at least one independent director. Senior executives of the Company may be member of the Committee. Each member will have an understanding of risk management expertise commensurate with the company’s size, complexity and capital structure.

Committee members will be appointed by the board. Unless a chairperson is elected by the board, the members of the committee may designate a chairperson being a director by majority vote.

Additionally, the committee, in conjunction with the board and with the nominations committee, may consider and plan for succession of committee members.

The quorum for a meeting of the Risk Management Committee shall be either two members or one third of the members of the committee, whichever is higher, including at least one member of the board of directors of the Company in attendance.

The committee will report to the Board.

The risk management committee shall meet at least twice in a year. The meetings of the risk management committee shall be conducted in such a manner that on a continuous basis not more than one hundred and eighty days shall elapse between any two consecutive meetings. The committee chairperson will approve the agenda for the committee's meetings, and any member may suggest items for consideration. Briefing materials will be provided to the committee as far in advance of meetings as practicable.

As part of its responsibility to foster open communication, the committee will meet periodically with management, heads of business units, and head of the internal audit function.

### **III. Responsibilities and duties**

To fulfil its responsibilities and duties, the committee will:

- Help to set the tone and develop a culture of the enterprise vis-à-vis risk, promote open discussion regarding risk, integrate risk management into the organisation's goals, and create a corporate culture such that people at all levels manage risks rather than reflexively avoid or heedlessly take them.
- formulate a detailed risk management policy which shall include:
  - (a) A framework for identification of internal and external risks specifically faced by the Company in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
  - (c) Business continuity plan.
- The risk management policy should set the tone for risk management in the company and should indicate how risk management will support the company's strategy.
- ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- Recommend the appointment, removal and terms of remuneration of the Chief Risk Officer.
- Approve the risk management plan. Management should develop both the risk management policy and the plan for approval by the committee. The risk management plan should consider the maturity of the risk management of the company and should be tailored

to the specific circumstances of the company. The risk management plan to include:

- ✓ the company's risk management structure
  - ✓ the risk management framework i.e. the approach followed, for instance, ICFR, ERM Code of Practice, etc.
  - ✓ the standards and methodology adopted – this refers to the measurable milestones such as tolerances, intervals, frequencies, frequency rates, etc.
  - ✓ risk management guidelines
  - ✓ reference to integration through, for instance, training and awareness programmes, and
  - ✓ details of the assurance and review of the risk management process
- 
- The committee should review the risk management plan/ERM framework at least once a year.
  - Review and confirm that all responsibilities outlined in the charter have been carried out
  - Review and approve the risk management processes/infrastructure and the critical risk management measures adopted by the organisation
  - Continually obtain reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed
  - Communicate formally and informally with the executive team and risk management regarding risk governance and oversight
  - Review and assess the effectiveness of the company's enterprise-wide risk assessment processes and recommend improvements, where appropriate; review and address, as appropriate, management's corrective actions for deficiencies that arise with respect to the effectiveness of such programs
  - The role and responsibilities of the Risk Management Committee shall include such other items as may be prescribed by applicable law or the Board in compliance with applicable law, from time to time.

#### Charter review

- The Risk Management Committee shall review and reassess the adequacy of this Charter periodically and recommend any proposed changes to the Board for approval.
- Perform any other activities consistent with this charter, the company's bylaws, and governing laws that the board or committee determines are necessary or appropriate
- The provisions of the Companies Act, 2013 and SEBI Rules and Regulations (as amended from time to time) and any clarification issued by MCA, SEBI & Stock Exchange(s), shall automatically apply and be part of this Charter.