

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 to 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 infrastructure capable of addressing those risks
- Overseeing, in conjunction with other board-level committees or the board, if applicable, risks, such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational, and other risks
- Overseeing the division of risk-related responsibilities to each board committee as clearly as possible and performing a gap analysis to determine that the oversight of any risks is not missed
- In conjunction with the board, approving the company’s enterprise wide risk management Framework

The committee may have the authority to conduct investigations into any matters within its scope of responsibility and obtain advice and assistance from outside legal, accounting, or other advisors, 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 could make sure to 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 will comprise two or more directors as determined by the board. The committee may include non-directors as members. Each member will have an understanding of risk management expertise commensurate with the company’s size, complexity and capital structure.

The committee will provide its members with annual continuing education opportunities and customized training focusing on topics such as leading practices with regard to risk governance and oversight and risk management.

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 do well to consider and plan for succession of committee members. Two members, out of which one being independent directors present shall form the quorum for the meeting of the Committee.

The committee will report to the Board.

The committee will meet quarterly, or more frequently as circumstances dictate. 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 director of the internal audit function.

III. Responsibilities and duties

To fulfil its responsibilities and duties, the committee will:

Enterprise responsibilities

- 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.
- Approve the risk management policy and 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 should 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 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. The risk management policy should include the company's definitions of risk and risk management, the risk management objectives, the risk approach and philosophy, as well as the various responsibilities and ownership for risk management within the company

- The committee should review the risk management plan at least once a year.
- Review and confirm that all responsibilities outlined in the charter have been carried out
- Conduct an annual performance assessment relative to the committee's purpose, duties, and responsibilities;
- Review and approve the risk management infrastructure and the critical risk management policies 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
- Monitor governance rating agencies and their assessments of the company's risk and proxy advisory services policies, and make recommendations as appropriate to the board

Charter review

- Review the charter at least annually and update it as needed to respond to new risk-oversight needs and any changes in regulatory or other requirements
- 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
- Submit the charter to the board for approval