



Risk Management Committee

Terms of Reference (Charter)

In line with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) and the Governance Guidelines released by the Tata Group, this Charter specifies the Composition, Conduct of Meetings, Authorities, Roles and Responsibilities and Review Mechanism of the Risk Management Committee of the Board of Directors of the Company (Committee).

The Terms of Reference of the Committee are approved by the Board and may be amended by the Board at any time.

1. COMPOSITION

Chairperson:

The Board shall appoint a Chairperson of the Committee.

The Chairperson of this Committee shall be a member of the Board of Directors. In the absence of the Chairperson of the Committee, the members present at any meeting shall elect one of the Director among themselves to Chair the meeting.

Membership:

The members of the Committee shall be appointed by the Board and shall consist of 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 members of the Committee.

Appointments to the Committee shall be determined by the Board in consultation with the Chairperson of the Committee. A Director shall automatically cease to be a Committee member on ceasing to be a Director.

Secretary:

The Company Secretary shall act as the Secretary of the Committee and shall be present at all the meetings of the Committee. The Secretary shall keep a record of the membership of and the dates of any changes to the membership of the Committee. The Secretary shall ensure members receive notice, information and papers in a timely manner to enable full and proper consideration to be given to the issues.

2. MEETINGS

Quorum:

The quorum shall be two members or one third of the total members, whichever is greater, including at least one member of the Board of Directors in attendance. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

Attendance:

Only Committee members shall have the right to attend Committee meetings, but the Committee may invite any other Directors or executives, as it considers appropriate to be present at the meetings of the Committee.

Occasionally, the Committee may meet without the presence of any executives of the Company.

Frequency:

The meetings of the 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.

Voting:

Matters arising for determination at Committee meetings shall be decided by a majority of votes of members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

While invitees to the Committee shall have a right to be heard in the meetings, they shall not have a right to vote. The right to vote shall vest only with the members of the Committee.

If there is an equality of votes, the Chairperson of the Committee shall have a casting vote.

Notice and agenda:

The Committee meetings shall be called by the Company Secretary at the request of the Chair of the Committee.

The agenda and supporting materials for the items to be discussed shall be forwarded to each member of the Committee and any other person required to attend in a timely manner to enable full and proper consideration to be given to the issues. Unless otherwise agreed this shall be no later than seven days before the date of the meeting.

Minutes:

The Secretary to the Committee shall minute the proceedings and decisions of all Committee meetings.

The Minutes shall be circulated to all Committee members, including the Chairperson.

3. AUTHORITY AND POWERS

The Committee shall have powers to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

4. ROLE

The responsibilities of the Committee shall include the following:

- To formulate a detailed risk management policy which shall include-
 - i. A framework for identification of internal and external risks specifically faced by the Company, including financial, operational, sectoral, sustainability (particularly, ESG / sustainability related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - ii. Measures for risk mitigation including systems and processes for internal control of identified risks
 - iii. Business continuity plan and its review
- Oversight process to ensure that the Risk Management Policy is being followed
- Implementation of appropriate methodology, processes, and systems to monitor and evaluate risks associated with the business of the Company
- Monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems
- Ensuring that appropriate measures are taken to achieve prudent balance between risk and rewards in both on-going and new businesses
- Assisting the Board in effective operation of the risk management systems by performing specialized analyses and quality reviews
- Ensuring that the Company has a robust compliance framework and review the compliance reports and ensure appropriate measures for compliance adherence
- Maintaining an aggregated view on the risk profile and the underlying business segments by integrating inputs from different sources:
 - i. Audit committee
 - ii. IT committee
 - iii. Investment committee
 - iv. NRC committee
 - v. CSR & Sustainability committee
 - vi. SPP process
 - vii. Annual & Strategic plans
 - viii. Materiality assessment
- Reporting to the Board, details on the risk exposures and actions taken to manage the exposures
- Advising the Board regarding risk management decisions, in relation to the strategic and operational matters such as corporate strategy, mergers and acquisitions and related matters

- Making regular reports to the Audit Committee and Board on risk assessment and mitigation strategies adopted by the Board
- Undertaking annual review of key risks which will be monitored closely by the risk committee
- Undertaking annual review of the Black Swan risk of the Company.
- Periodically reviewing the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
- Attend to such other matters and functions as may be prescribed from time to time;
- Generally, all items as listed in Regulation 21(4) read with Para C of Part D of Schedule II of the SEBI Listing Regulations.

5. REPORTING

The Chairperson of the Committee shall report to the Board on the Committee's proceedings and the Committee shall make such recommendations to the Board as it deems appropriate.

The Annual Report of the Company shall disclose the composition of the Committee and such other disclosures as may be mandated in terms of the provisions of applicable laws.

6. COMPENSATION

Members of the Committee shall receive such sitting fees and/or commission, if any, for their services as the Risk Management Committee members as may be determined by the Board in its sole discretion.

7. EVALUATION

The Committee shall conduct an annual self-evaluation of its performance and report the result to the Board of Directors. It shall confirm annually to the Board that the responsibilities outlined above have been carried out.

8. REVIEW OF THE CHARTER

The adequacy of this Charter shall be reviewed and reassessed by the Committee once in two years or in case any relevant amendments in the Company Law/SEBI Listing Regulations. Appropriate recommendations shall be made to the Board to update the Charter based on the changes that may be brought about due to any regulatory amendments or otherwise.
