

**CHARTER FOR THE  
RISK MANAGEMENT COMMITTEE**

**Adopted by the Board of Directors of Sterlite Power Transmission Limited on November 01, 2019**

**Revised and approved by the Board on August 07, 2021**

## **PREAMBLE**

This Charter is granted by the Board of Directors of Sterlite Power Transmission Limited (“**Company**”) to the Risk Management Committee of the Board (hereafter called “**the Committee**”). The objective of the Committee shall be to assist the Board in overseeing the Company’s overall risk appetite, tolerance and strategy of risk management. The purpose of this document is to define authority, responsibility and governing principles of the Risk Management Committee of the Company.

The Charter is subject to provisions of the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“**SEBI Listing Regulations**”) each as amended and/or any other law as may be applicable in this regard. If a provision of this Charter is inconsistent or contrary to any law in force in India, such law, rules and/or regulations shall prevail over the Charter. The words and phrases used in the Charter shall have the same meaning as defined under the Companies Act, 2013, SEBI Listing Regulations and other rules, regulations and other applicable laws. The Board has the right, subject to applicable laws and regulations, to modify this Charter, to reconstitute/dissolve the Committee or to supersede its actions.

## **COMPOSITION**

1. The Committee shall comprise of minimum three members with majority of them being Directors, including atleast one independent director.
2. The Board shall nominate the Chairperson of the Committee, who shall be a director on the Board. In case the Chairperson of the Committee is not present within 15 minutes from the start of the meeting, the members present may elect one amongst themselves to be the Chairperson for that meeting.
3. Senior Executives of the Company may also be appointed as members of the Committee.
4. The Chief Financial Officer and Head- Risk Management, if any shall be a permanent invitee to all the meetings of the Committee.
5. The Company Secretary shall act as the secretary to the Committee.

## **MEETINGS AND QUORUM**

1. The Committee shall meet at least twice a year. Additional meetings may happen as the Committee deems it appropriate and advisable. The gap between two consecutive meetings shall not be more than one hundred and eighty days.
2. The quorum shall be two members or one third of the Committee strength; whichever is higher and at least one member of the Board shall be present to form a valid quorum.

## **ROLES AND RESPONSIBILITIES:**

1. Advise the Board on the Company’s overall risk appetite, tolerance and strategy, taking account of the current and prospective macroeconomic and financial environment and drawing on financial stability assessments such as those published by relevant industry and regulatory authorities.
2. To formulate a detailed risk management policy which shall include:

- (a). A framework for identification of internal and external risks specifically faced by the listed entity, 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.
3. Oversee and advise the Board on the current risk exposures of the Company and future risk strategy and review the risk management plan.
  4. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
  5. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
  6. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
  7. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.
  8. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
  9. Review of cyber security and related risks;
  10. Set a standard for the accurate and timely monitoring of large exposures and certain risk types of critical importance.
  11. Ensure the CRO shall be given the right of unfettered direct access to the Chairman of the Board and/or to the Committee.
  12. The Committee may at the expense of the Company secure external legal or other professional advice and attendance of third parties with relevant experience and expertise, if it considers this necessary. The Committee may also seek information from any employee of the Company.
  13. Undertake any other activity in this regard or carrying out any functions as may be specified by the Board or as may be required by the Companies Act, 2013, the rules thereunder, or the SEBI Listing Regulations each as amended or by any other regulatory authority, from time to time.

*The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.]*

#### **MINUTES & REPORTING**

1. The Committee will report to the Board with respect to the recommendations that the Committee deems appropriate from time to time.
2. The Company Secretary shall maintain minutes of the meetings of the Committee, which shall be placed before the Board quarterly.