



**RISK MANAGEMENT COMMITTEE CHARTER
OF
BIOCON LIMITED**

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SCOPE OF THE COMMITTEE

The Risk Management Committee (“the Committee”) of the Board of Directors (“the Board”) was constituted in compliance with Regulation 21 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

Primary objective of this Committee is to assist the Board in timely identification, evaluation, assessment and mitigation of risks (i.e. financial, operational, strategic, regulatory, statutory, reputational, political, catastrophic, pandemic etc.) faced by the Company.

The Committee has overall responsibility for monitoring and approving enterprise risk management framework and capable of effectively addressing these risks.

CONSTITUTION, MEMBERSHIP AND COMPOSITION

The Board shall constitute a Risk Management Committee. The Board shall define the role and responsibility of the Committee and may delegate such powers or responsibility such as monitoring and reviewing of the risk management plan/manual to the committee and such other functions as it may deem fit.

The composition of the Committee shall consist of not less than three members, majority of whom shall be Board members. Senior executives of the company may be members of the Committee.

- **Chairperson** - The Chairperson of the Committee shall be a member of the Board of Directors as per Regulation 21 of SEBI Listing Regulations. In case the Chairperson is not available to attend the meeting, the members present may elect one amongst them to be the Chairperson for the meeting;
- **Membership** - The members of the Committee shall be appointed by the Board on the recommendation of the Nomination and Remuneration Committee;
- **Invitees** - In addition to the members of the Committee, any other Director/person may be invited to the meeting for bringing special knowledge, etc. into the discussion. Invitee directors do not have any voting rights and may be entitled to sitting fees, if any, as mutually agreed upon by the members of the Board;
- **Secretary** - The Company Secretary shall act as Secretary to the Committee.

PROCEDURE AND QUORUM

- **Time and frequency of meetings** –The Committee shall meet at least once in a year or as and when the need arises to discharge its roles and responsibilities. Members who are not physically present may attend through audio-video / teleconference.
- **Quorum for meetings** - Two members present including those who attend via video conference. Members attending the meeting through teleconference are to be excluded for the purpose of Quorum.
- **Sitting fees** – The members of the Committee are eligible for sitting fees, if any, approved by the Board from time to time.
- **Onward Reporting** – The draft Minutes of each meeting of the Committee shall be circulated within the statutory time period as stated in the Secretarial Standards as issued by the Institute of Company Secretaries of India read along with the Companies Act, 2013 or any other applicable law, rules or regulations as applicable from time to time. A copy of the signed minutes, certified by the Company Secretary, shall be circulated within the timelines as stated under the Secretarial Standards, to all the Members as on the date of the Meeting and appointed thereafter, except to those Members who have waived their right to receive the same either in writing or such waiver is recorded in the Minutes.

ROLES AND RESPONSIBILITY

The roles and responsibilities of the Committee shall *inter-alia* include the following:

- To review and recommend changes to the Risk Management technique and / or associated frameworks, processes and practices of the Company;
- To review the Company's risk appetite and tolerance limit in line with the Company's risk portfolio;
- To identify and review the critical risk exposures including cyber security of the Company and assess Management's actions to mitigate the exposures in a timely manner;
- To review the risk management processes and practices of the Company and ensure that the Company is taking the appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities;
- To review, at least annually, if necessary, the risk management manual/plan with respect to risk assessment and management and provide an update to the Board in this regard. The risk management manual is attached as annexure A to this document;

- To review the accepted risk portfolio of the company and ensure the same is not above the risk appetite of the company;
- To coordinate its activities with the Audit Committee and understand how the company's internal audit plan is aligned with the risks that have been identified and its management;
- To periodically obtain assurance from the management that all known and emerging risks have been identified and mitigated or managed;
- To inquire of management and the independent auditor about significant financial or non-financial risks or exposure to such risk;
- To report to the Board on matters considered by the Committee and make recommendations with respect to risk management and minimization procedures, if any;
- To undertake self-evaluation of its function and identify areas for improvement towards better governance;
- The Committee, at its sole authority, may seek the advice of external experts or independent consultants or advisors or legal counsel, where judged necessary, to discharge its duties and responsibilities;
- To perform such functions or duties as may be prescribed under the Companies Act, 2013, SEBI Listing Regulations and any other applicable laws from time to time and discharge such other functions as may be specifically delegated to the Committee by the Board from time to time.

POWERS

The Committee may delegate any responsibility jointly/severally to the Managing Director, Whole-time Director, Chief Executive Officer or any other Executive and shall have access to internal information necessary to fulfill its oversight role. Further, the Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other subject matter experts.

REVIEW OF COMMITTEE CHARTER

The adequacy of this charter shall be reviewed and reassessed by the Committee and appropriate recommendations shall be made to the Board to update the same based on the changes that may be brought about due to the regulatory framework amendments or otherwise.

In case of any ambiguity or need for clarification, the Company should refer applicable Secretarial Standards, provisions of Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Articles of Association of the Company and any other applicable laws. Further,

in case there prevails any inconsistency between the provisions of this charter and the law, the law shall prevail.

REFERENCE

As mandated by Regulation 21, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 or any amendments thereof.

VERSION HISTORY

- Risk Management Committee was constituted on January 24, 2019, by the Board of Directors and charter was approved on January 24, 2019.
- Reviewed and presented for Board/Committee approval on May 14, 2020.