

DMCC SPECIALITY CHEMICALS LIMITED
(Formerly known as "The Dharamsi Morarji Chemical Company Limited")

**Risk Management Committee
Terms of Reference**

1. Role and Responsibility : The role of the committee shall inter-alia include the following:

- a) To formulate a detailed Risk Management Policy which shall include:
 - i. Framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability, particularly, Environment, Social and Governance (ESG) 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.
- b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- c) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- d) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- e) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- f) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
- g) 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.
- h) Monitoring and reviewing of the risk management plan and cyber security;
- i) Review and undertake such other assignments/ activities as may be specified by the Board in compliance with applicable law from time to time.

2. Composition and Meeting

- a) The Risk Management Committee shall have minimum three members with majority of them being members of the board of directors, including at least one independent director.

- b) The Chairperson of the Risk management committee shall be a member of the board of directors and senior executives of the listed entity may be members of the committee.
- c) The risk management committee shall meet at least twice in a year.
- d) 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 in attendance.
- e) 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.