



LAXMI ORGANIC INDUSTRIES LTD

**TERMS OF REFERENCE
RISK MANAGEMENT & ESG GOVERNANCE COMMITTEE
OF BOARD OF DIRECTORS**

- A. Constitution** | The Committee has been established by resolution of the Board of Directors of the Company dated November 25, 2020 (“**the Board**”) and is to be known as the Risk Management & ESG Governance Committee of the Board (“**the Committee**”). These terms of reference is valid and effective w.e.f. January 24, 2023 and it replaces the terms of reference of any pre-existing Committee.
- B. Membership** |
1. The Committee shall comprise of not less than three members appointed by the Board. The majority of members of the Committee shall consist of Directors of the Company. The senior executives of the Company may be members of the Committee.
 2. The Committee Chairman will be a Director of the Company and shall be appointed by the Board. In the absence of the Committee Chairman, the members attending shall elect one (1) of them to be chairman for that meeting from amongst the Directors. The quorum for meetings of the Committee shall be two (2) members.
- C. Secretary** |
1. The Company Secretary shall act as the Secretary of the Committee.
- D. Meetings** |
1. The Committee shall meet at such times as the Committee Chairman shall require. However, at least one (1) meeting shall be held during each financial year;
 2. 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.
- E. Notice of the Meeting** |
1. Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of any of its members;
 2. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of the items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, no later than two (2) working days before the date of the meeting.
- F. Reposting Responsibilities** |
1. The Minutes of the Committee meeting shall be placed at the meeting of the Board for its noting.
 2. The Committee shall make suitable recommendations to the Board as it deems appropriate on any area within its remit where action or improvement is needed.
- G. Authority** |
1. The Committee is authorised by the Board to:
 - (a) investigate any activity within its terms of reference;
 - (b) seek any information that it properly requires from any employee of the Company or any associate or subsidiary company in order to perform its duties and all employees are directed by the Board to co-operate with any request made by the Committee; and
 - (c) call any director or other employee to be present at a meeting of the Committee as and when required.

H. Delegated Powers

2. If the Committee considers it necessary, it is authorised to obtain appropriate external advice to assist it in the performance of its duties and to secure the services of outsiders with relevant experience and expertise and to invite those persons to attend at meetings of the Committee. The cost of obtaining any advice or services shall be paid by the Company within the limits as authorised by the Committee / the Board.
1. To formulate, monitor and review risk management policy and plan, inter alia, covering environment, social and governance (ESG) risks, climate change risks and cyber security risks;
 2. To review and monitor the Company's future risk strategy and its risk appetite, in particular, in relation to capital, liquidity, reputation, legal, environmental and operational risk and to make recommendations on risk appetite to the Board;
 3. To review and robustly assess the design, completeness and effectiveness of the risk management framework relative to the Company's activities including those that would threaten its business model, future performance, solvency or liquidity; to review the adequacy and quality of the risk management function; and to review the effectiveness of risk reporting (including timeliness and risk events);
 4. To review and robustly assess the design, completeness and effectiveness of the Company's ESG Policy, ESG Roadmap and disclosures with respect to the risks and opportunities emanating from the environmental, social and governance aspects of the Company's operations and its supply chain.
 5. To appoint/constitute a steering/operational committee consisting of senior leadership team and other employees of the Company for effectively implementing, monitoring and performing Risk Management and ESG Governance Framework.
 6. To carry out any other function as is referred by the Board from time to time or required under relevant provisions of the applicable laws, regulations or various circulars issued by the regulatory authorities.
 7. To make available its terms of reference and review periodically those terms of reference and its own effectiveness and recommend any necessary changes to the Board.

Approved and Adopted by Board: January 24, 2023
Place: Mumbai
