THERMAX LIMITED

RISK MANAGEMENT COMMITTEE CHARTER

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Risk Management Committee Charter

1. PREAMBLE

a) This Charter is granted by the Board of Directors to the Risk Management Committee (hereafter called "the Committee") to govern its operations. The Charter is subject Sebi Listing Regulations and other applicable laws. Any provision of the Charter that reduces the effectiveness of such laws or regulations shall not prevail.

b) The Risk Management Committee has been set up by the Board of Directors to assist it in the discharge of the Board's oversight role in the areas specified hereafter. The Board has the right, subject to applicable laws and regulations, to modify this Charter, to dissolve the Committee or to supersede its actions. In all cases the Board shall minute such a decision, with reasons.

c) The Board shall appoint the members of the Committee. The Committee shall have at least three members of whom a majority must be directors including at least one independent director. Representation from each of the other Board Committees shall be included in the Committee's composition to ensure alignment and to facilitate effective coordination and oversight. Senior executives or external experts may also be appointed as members. The Company Secretary shall also be secretary to the Committee.

d) The Committee will elect its chairperson from amongst its director members.

2. RESPONSIBILITIES

The Committee shall primarily be responsible for overseeing risk management in the Company and its subsidiaries. It shall:

a) Formulate a risk management policy for approval by the board which shall include:
   - 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.
   - Measures for risk mitigation including systems and processes for internal control of identified risks.
   - Business continuity plan.

b) Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

c) Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

d) Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

e) Keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;

f) Review strategic plans and objectives for adequate consideration of risks.

g) Review the commonality of a risk culture throughout the Company and its subsidiaries, including common terminology and risk limits.

h) Satisfy itself that there is an optimal balance struck by management between avoiding risks and exploiting opportunities. In doing so it shall see how management assesses and incorporates risk tolerance in its decisions and plans.
i) The Committee shall be alert to the emergence of new risks and the management's response to them. It shall also review how management has planned to respond to the sudden emergence of unexpected risks and crises.
j) Review compliance with risk management policy and procedures.
k) Review annually the risk assessment or exposure of the Company.
l) Review existential risks and plans for their mitigation.
m) Review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any).
n) Undertake any other responsibility referred to it by the Board or required by any statutory authority.

For the purpose of the above primary responsibilities, it may:

a) Review the framework that provides risk information to the CEO and senior management.
b) Review if risk management is integrated into all operating processes and employees are clear about their individual responsibilities.
c) The Committee shall enquire if management has adequately considered the impact of interdependent or interactive risks and of simultaneous black-swan events in its plans and risk management strategy.

3. RESOURCES TO THE COMMITTEE

The Committee shall discharge its oversight responsibilities by considering reports from management and consultants. The Committee shall satisfy itself about the reliability of the reports it depends upon. The Committee may take the assistance of internal audit and other experts to obtain reports on compliance with processes.

The Committee is not expected to itself undertake any audit, evaluation, appraisal, investigation or other similar activities in the discharge of its responsibilities.

4. MANAGEMENT'S RESPONSIBILITIES

Management is solely responsible for the correct reporting of risks and concerns in all public documents or filings with various authorities. Management is also solely responsible for implementing and maintaining reliable systems, processes and controls for ensuring management of risks throughout the enterprise. It is responsible for prompt awareness of emerging risks and for framing a response to them. Management is expected to ensure appropriate recognition of risks in its strategies, plans and budgets.

Management shall comply with the directions of the Committee.

5. BOARD OF DIRECTORS' RESPONSIBILITIES

The Board is responsible for approving this Charter, for considering the reports and recommendations of the committee to it and for supporting the Committee in its activities. Management has a right to appeal to the Board if it disagrees with any recommendations of the Committee. The Board, after hearing management and considering the views of the Committee,

has the power to overrule the Committee's recommendations; in which case the Board shall record its reasons.

6. COORDINATION WITH OTHER COMMITTEES

The Committee shall coordinate with other committees to the extent that its work has a bearing on their scope of work. It shall, in particular, coordinate with the Audit Committee for evaluating the adequacy and effectiveness of risk management systems.

7. POWERS

The Committee shall have the powers to require management to provide it with reports and explanations that are relevant to its objectives. It may also ask for the appointment of experts or auditors, obtaining outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if considered necessary.

Management shall implement the Committee's directions.

8. THE COMMITTEE'S PROCESSES

The Committee shall –

a) appraise its performance annually and report to the Board the outcome thereof.
b) Meet at least twice in a financial year and the meetings of the committee shall be conducted in such a manner that on a continuous basis not more than two hundred and ten days shall elapse between any two consecutive meetings.
c) The quorum for a meeting 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.
d) Review this Charter periodically and recommend any changes to the Board.

9. MEMBER DEVELOPMENT

The members of the Committee shall receive exposure to developments in enterprise risk management to enable them to discharge their responsibilities on the Committee. The Committee shall periodically review the process and level of such exposure and make any modifications it deems necessary.

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Owner of document: Chief Risk Officer (CRO) and Corporate Secretarial		
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