



**TATA CONSUMER PRODUCTS LIMITED**  
**(formerly known as Tata Global Beverages Limited)**

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***Risk Management Committee Charter***

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## **Objectives of the Risk Management Committee**

**1.1.** The Risk Management Committee ("Committee") of the Board of Directors ("Board") of Tata Consumer Products Limited ("Company") shall discharge the following responsibilities:

- Discuss with senior management, the adequacy of the Company's Enterprise Risk Management (ERM) function and provide oversight as may be needed
- Setting strategic plans and objectives for risk management, risk philosophy and risk minimization.
- Reviewing compliance with policies implemented by the Company.
- Reviewing risk assessment of the Company annually and exercising oversight of various risks including credit, operational risks, market risk, liquidity risk, investment risk, etc.
- Ensure it is apprised of the most significant risks along with the methodology and process of monitoring and actions, management is taking and how it is ensuring effective ERM

**1.2.** The Risk Management Committee will report to the Board on its activities at least two times in a financial year.

## **2. Composition**

**2.1.** The Risk Management Committee shall comprise of minimum three members with majority of them being Directors of the Company including at least one Independent Director. Senior executives of the Company may be members of the Committee.

**2.2.** The Chairperson of the Risk Management Committee shall be a Director, from amongst the members of the Committee.

**2.3.** The Company Secretary of the Company shall act as the secretary to the Committee.

## **3. Meetings and Quorum**

**3.1.** The Committee must establish an Annual Work Plan ("AWP") for each year to ensure that all relevant matters are covered by the agendas of the meetings planned for the year. The AWP must ensure proper coverage of the matters laid out in the Charter.

**3.2.** The Committee shall meet as often as needed to discuss the matters in accordance with the AWP, at least 2 times during the financial year, and not more than one hundred and eighty days shall elapse between two meetings (or such other time as prescribed under the applicable laws)

**3.3.** The Risk Management Committee at its discretion shall invite the finance director or head of the finance function, head of risk management function and any other such executives to be present at the meetings of the Committee.

**3.4.** The Managing Director & CEO, Executive Director & Group CFO, Chief Operating Officer, Chief Financial Officer and Head of Risk Management of the Company shall

assist the Committee and would be a permanent invitee to the meetings of the Committee.

- 3.5. A detailed agenda, together with supporting notes and documents, should be circulated, at least 7 days prior to each meeting to the members of the Committee and other invitees, except such information or documents on items of business which are in the nature of Unpublished Price Sensitive Information can be tabled at the meeting.
- 3.6. The minutes of each meeting must be recorded, circulated to the members of the Committee, and approved either before or at the next Committee meeting.
- 3.7. The quorum for the meetings of the Risk Management Committee shall either be two members or one-thirds of the total size of the Committee, whichever is greater but shall include at least one independent director.

#### **4. Authority and Power**

The Risk Management Committee shall, subject to the approval of the Board, have the power to:

- Investigate any matter within the scope of this Charter or as referred to it by the Board.
- Seek any information or explanation from any employee or director of the Company.
- Ask for any records or documents of the Company.

In the context of any of the above, it may also engage (at the expense of the Company) independent consultants, legal or other professional advisors and seek their advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

#### **5. Responsibilities of the Risk Management Committee**

The responsibilities of the Risk Management Committee shall be the following:

- 1) Formulate and recommend to the Board a detailed Risk Management Policy which shall include:
  - a. A framework for identification of internal and external risks specifically faced by the Company, 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.
- 2) Ensure that appropriate methodology, processes and systems are in place relating to

identification and evaluation of all types of risks, namely, strategic, operational, legal and regulatory, Information systems and external risks that the Company / Group is exposed to;

- 3) Review and oversee the compliances and control procedures and risk assessment and mitigation procedures
- 4) Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- 5) Periodically review the Risk Management Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- 6) Inform the Board of Directors about the nature and content of its discussions, recommendations and actions to be taken;
- 7) Review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any)
- 8) Determine and finalize the risks that the Company and that of its subsidiaries is exposed to and review their mitigation measures;
- 9) Review the legal compliance system;
- 10) Carrying out such other functions as may be specified the Board from time to time.
- 11) Any other matter as prescribed by the Companies Act, 2013 & Rules made thereunder, and SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 or such other Regulation prescribed by the SEBI from time to time.

## **6. Reporting**

- 6.1. The Committee will periodically report to the Board on various matters that it has considered.
- 6.2. The Annual Report of the Company shall disclose the composition of this Committee (including names of members and Chairperson), brief description of the scope of the Committee Charter, number of meetings and attendance.

## **7. Compensation**

Members of Risk Management Committee, who are Directors, shall receive such sitting fees, if any, for their services as Risk Management Committee members as may be determined by the Board in its sole discretion.

## **8. Evaluation**

The Committee shall undergo an annual self-evaluation of its performance and report the result to the Board of Directors. Areas for evaluation as part of this exercise include:

- Degree of fulfilment of key responsibilities
- Adequacy of Committee composition
- Effectiveness of meetings
- Committee Dynamics

- Quality of relationship with Board and Management.

#### **9. Review of Charter**

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

#### **10. Subsidiary Companies**

The Subsidiary companies of the Company shall also form Risk Management Committee, as applicable under law. In such cases, where there is a requirement to form separate charters for the subsidiary companies, such Committees shall adhere as much as is possible to the provisions of this Charter for their constitution and working.