

LUX INDUSTRIES LIMITED

Terms of reference of Risk Management Committee

The terms of reference of the Risk Management Committee are as per Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended by SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations or any other laws/rules, as applicable or amended from time to time.

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify; monitor and minimize risks as also identify business opportunities.

The objectives and scope of the Risk Management Committee broadly comprise of:

- Oversight of risk management performed by the executive management.
- Reviewing the risk management policy and framework in line with local legal requirements and SEBI guidelines.
- Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle.
- Defining a framework for identification, assessment, monitoring, mitigation and reporting of risks.
- Within its overall scope as aforesaid, the committee shall review risks, trends, exposure, potential impact analysis and mitigation plan.
- Formulating a detailed risk management policy which shall include:
 - (a) 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.
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - (c) Business continuity plan.
- Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- Monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- Periodically reviewing the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- Keeping the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- Reviewing Appointment, Removal and terms of remuneration of the Chief Risk Officer (if any).