



LT FOODS LIMITED

CHARTER OF RISK MANAGEMENT COMMITTEE

INTRODUCTION & PURPOSE

This charter is framed in accordance with:

- Section 134(3)(n) and other applicable provisions of the Companies Act, 2013; and
- Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

This charter has been prepared keeping in view the extant provisions of the applicable laws. However, if due to subsequent changes in the applicable laws, any part of this charter becomes inconsistent then the provisions of the applicable laws shall prevail.

The Committee supports the Board in overseeing a **proactive, structured, and enterprise-wide risk management framework** that is embedded across all levels of the organization. The Company recognizes that risk is an inherent and unavoidable aspect of its business and is committed to systematically identifying, assessing, and managing risks while also leveraging opportunities arising from them.

The Committee provides oversight on the adequacy and effectiveness of the Company's risk management systems, internal controls, and mitigation strategies, ensuring alignment with the Company's strategic objectives, stakeholder expectations, and long-term value creation goals. The Company's approach to risk management is continuous and embedded in business processes, supporting resilience and sustainable growth.

The Risk Management Committee ('RMC or Committee') of the Board of Directors (the 'Board') of LT Foods Limited (the 'Company') is constituted to support the Board's corporate governance responsibilities by overseeing comprehensive risk management. Its mandate includes identifying, evaluating, and mitigating the Company's strategic, operational, financial, and external environment risks. The RMC is responsible for approving and monitoring the Enterprise Risk Management ('ERM') framework, ensuring that risk practices are robust, integrated, and aligned with the Company's risk appetite as approved by Board. Through its oversight, the committee strengthens the Company's capacity to manage uncertainty and safeguard long-term value for stakeholders.

COMPOSITION

The Risk Management Committee (RMC) shall be appointed by, and shall function at the discretion of, the Board of Directors. The Committee shall comprise members of the Board, including at least 1 (one) Independent Director, in accordance with applicable laws and regulations. As a matter of good governance, the Company may endeavour to constitute the Committee with a majority of Non-Executive Directors. The Chairperson of the Committee shall be a member of the Board.

The Committee shall consist of not fewer than 3 (three) members, and its members shall possess an appropriate understanding of risk management principles and practices relevant to the Company and its operations.

SECRETARY

The Company Secretary shall act as a Secretary to the Committee Meetings.

MEETINGS AND QUORUM

- The Committee shall meet periodically but at least twice in a financial year or more frequently as deemed necessary.
- The meetings of the committee shall be conducted in such a manner that on a continuous basis not more than 210 (two hundred and ten) days shall elapse between any 2 (two) consecutive meetings.
- The Committee may invite members of management, external advisors or other experts to attend meetings as required. Such invitees shall not have voting rights.
- The quorum for a meeting of the Committee shall be either 2 (two) members or one third of the members of the committee, whichever is higher, including at least 1 (one) Independent Director.
- The Committee may invite such of the executives, as it considers appropriate to be present at the Meetings of the Committee. On occasions considered necessary, the Committee may also meet without the presence of any executive of the Company.
- The decisions to be taken by the Committee members may be taken by way of a circular resolution, wherever permitted under the law.
- The meetings of the Committee may be attended by means of Audio-Visual Mode, videoconferencing or any other means of communication that allows the identification of the members of the Committee and simultaneous communication with all other persons attending the meeting. In case of the members of the committee attending the meeting through Audio-visual mode, video conferencing or any other means of communication, Committee members must ensure that no unauthorized party has access to the proceedings of the meeting. Committee members who attend the meetings in the aforementioned manner will be deemed to be present at the meeting and must sign the corresponding minutes.

Committee members with actual or potential conflict of interest with any of the matters to be discussed must withdraw from the meetings during the period when such matters are discussed.

TERMS OF REFERENCE

The Terms of Reference of the Risk Management Committee are framed in accordance with the provisions of Regulation 21 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time, which, inter alia, prescribe the roles, responsibilities and oversight functions of the Committee in relation to the Company's risk management framework.

ROLES AND RESPONSIBILITIES

The role of the Risk committee shall include the following:

1. To review the Company's risk governance structure, risk assessment and risk management policies, practices and guidelines and procedures, including the risk management plan.
2. To review and approve the Enterprise Risk Management ('ERM') framework
3. To formulate 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, material ESG related risks), information technology, 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 oversee of risks, such as strategic, financial, credit, market, liquidity, technology, security, property, IT, legal, regulatory, reputational, and other risks
 - d. Oversee regulatory and policy risks related to climate change, including review of state and Central policies
4. To ensure that appropriate methodology, processes and systems are in place to identify, monitor, evaluate and mitigate risks associated with the business of the Company
5. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems
6. To review compliance with enterprise risk management policy, monitor breaches / trigger trips of risk tolerance limits and direct action.
7. To consider and recommend to the Board for appointment and removal of the Chief Risk Officer, if any.
8. To review and monitor the effectiveness and application of credit risk management policies, related standards and procedures to control the environment with respect to business decisions
9. To review and recommend to the Board various business proposals for their corresponding risks and opportunities
10. To obtain reasonable assurance from management that all known and emerging risks has been identified and mitigated and managed.
11. To periodically review the Company's performance against the identified risks of the Company and review the mitigation plan time to time.
12. To oversee suppliers' diversity;
13. To monitor & review the risks related to information technology, Cyber Security, and artificial intelligence;
14. To review Disaster Risk Management Plan;
15. To review systems of internal controls and business contingency plans;
16. Review, approve and periodically monitor the Company's risk appetite, risk tolerance levels and exposure limits, including but not limited to financial risk exposures such as foreign exchange exposure, inventory risk and commodity price volatility.

17. Conduct or review periodic scenario planning and stress testing for high-impact risk events such as export restrictions, supply chain disruption, climate related events or other macroeconomic shocks.
18. Review and monitor the effectiveness of the Business Continuity Plan (BCP) and Crisis Management Framework, including an annual review to ensure operational resilience and continuity of critical business processes.
19. The Committee shall identify, assess, monitor and oversee material ESG-related risks that may impact the Company's business, operations, reputation, financial performance or long-term sustainability, including climate change, environmental, social, human rights, supply chain, regulatory, governance and other emerging sustainability risks. The Committee shall coordinate with the CSR & ESG Committee on matters where ESG initiatives or performance indicators give rise to material business risks requiring risk oversight and monitoring.
20. Review any significant risk issues raised by the Audit Committee or other Board Committees that may impact the Company's overall risk profile.
21. Perform such other activities related to this Policy as requested by the Board of Directors or to address issues related to any significant subject within its term of reference; and
22. Perform such other roles and responsibilities as prescribed under the SEBI Listing Regulations from time to time.
23. To carry out any other function as is referred by the Board from time to time or enforced by any statutory notification/ amendment or modification as may be applicable.

POWERS OF THE RISK MANAGEMENT COMMITTEE

The Committee shall have the powers to investigate any activity within its terms of reference, seek information from any employee, obtain external legal or professional advice, and secure the attendance of external experts with relevant experience, if it considers necessary.

The Committee shall also have the authority to access all necessary records, documents, data, and information pertaining to the Company's risk management framework, including matters related to risk identification, assessment, mitigation, and monitoring, to enable it to effectively discharge its responsibilities.

VOTING & DECISION MAKING

Decisions of the Committee shall be taken by majority vote of the members present and voting. In the event of a tie, the Chairperson may exercise a casting vote, where permitted under applicable law.

CONFLICT OF INTEREST

Members of the Committee shall disclose any actual or potential conflict of interest in matters placed before the Committee.

Any member having a conflict shall abstain from discussion and voting on such matter and the same shall be recorded in the minutes.

Where necessary, an alternate member or the Chairperson may oversee discussion on the relevant agenda item in place of the interested member.

REPORTING

The Risk Committee will:

- regularly report to the Board on all significant matters it has addressed and with respect to such other matters that are within its responsibilities; and
- oversee the preparation of and review publicly filed disclosure with respect to the Risk Committee's activities in discharging its responsibilities set out in this Charter.

This charter shall be displayed on the website of the Company.

MINUTES

The Company Secretary shall maintain the minutes of the meetings of the Committee. The minutes shall be circulated to all members of the Committee for their comments and approval within a reasonable time after the meeting and shall be placed before the Board of Directors at the subsequent Board Meeting for noting. The minutes shall record the deliberations, decisions taken, and any dissenting views expressed by the members.

The Company Secretary shall ensure that the minutes are properly maintained and preserved in accordance with the applicable provisions of the Companies Act, 2013 and other applicable laws.

GOOD GOVERNANCE BY RISK MANAGEMENT COMMITTEE

The Risk Management Committee plays a critical role in ensuring the long-term sustainability, resilience, and stability of the Company by overseeing a robust and integrated risk management framework. It assists the Board of Directors in identifying, assessing, monitoring, and mitigating various risks — strategic, financial, operational, compliance, cybersecurity, ESG, and reputational — thereby supporting sound corporate governance, business continuity, sustainability and value creation for stakeholders.

To ensure effective governance in the Company, the Risk Management Committee shall:

- Consists of experienced and qualified members of the Board, including at least 1 (one) Independent Director, and may include senior executives of the Company as members, as approved by the Board.
- Is chaired by a Director of the Company (as per SEBI Regulation requirements).
- Is constituted in such a manner that its members collectively possess the requisite skills, experience, expertise, and strategic insight relevant to the Company's business, operations, and risk profile.
- The Board ensures that the Committee members have adequate understanding of risk assessment, internal controls, governance practices, and regulatory compliance to effectively discharge their responsibilities.
- Ensure that a comprehensive, structured, and proactive approach to risk identification, assessment, and mitigation is adopted across all business functions and the level of risk

exposure undertaken by the Company is consistent with its risk appetite and tolerance limits as approved by the Board.

REVIEW OF COMMITTEE CHARTER

The adequacy of this Charter shall be reviewed and re-assessed by the Committee periodically and at least once every three years, or earlier if required. Appropriate recommendations shall be made to the Board to update the same in line with any changes in the regulatory framework, applicable laws, or governance practices from time to time.
