

## Terms of Reference of the Board Committees of the Company

### Audit Committee

The terms of reference of Audit Committee are as under:

#### **a) Statutory Auditors**

Recommend to the Board the appointment, re-appointment and if required, the replacement or removal of the statutory auditors, including filing of a casual vacancy, fixation of audit fee / remuneration, terms of appointment and also provide prior approval of the appointment of and the fees for any other services rendered by the statutory auditors including the non-audit services rendered to the company or to any of its subsidiaries. Provided that the statutory auditors shall not render services prohibited to them by Section 144 of the Companies Act, 2013 or by professional regulations.

The Committee shall take into consideration the qualifications and experience of the firm proposed to be considered for appointment as auditors as specified under Section 141 of the Companies Act, 2013 and whether these are commensurate with the size, nature of business and requirements of the Company and also consider any completed and pending proceedings against the proposed firm of Auditors before the Institute of Chartered Accountants of India or any competent authority or any Court.

The Committee shall recommend to the Board, the name of the audit firm who may replace the incumbent auditor on the expiry of their term.

#### **b) Review and monitor Independence and Performance of Statutory Auditors and Effectiveness of Audit Process**

In connection with recommending the firm to be retained as the Company's statutory auditors, review and monitor the information provided by the management relating to the independence of such firm and performance and effectiveness of audit process, including, among other things, information relating to the non-audit services provided and expected to be provided by the statutory auditors.

The Committee is also responsible for:

- i) actively engaging in dialogue with the statutory auditors with respect to any disclosed relationship or services that may impact the objectivity and independence of the statutory auditors, and
- ii) recommending that the Board takes appropriate action in response to the statutory auditors' report to satisfy itself of their independence.

### **c) Review Audit Plan**

Review with the statutory auditors their plans for, and the scope of, their annual audit and other examinations.

### **d) Conduct of Audit**

Discuss with the statutory auditors the matters required to be discussed for the conduct of the audit.

### **e) Review and examination of Audit Results**

Review and examination with the statutory auditors the proposed report on the annual audit, areas of concern, the accompanying management letter, if any, the reports of their reviews of the Company's interim financial statements, and the reports of the results of such other examinations outside of the course of the statutory auditors' normal audit procedures that they may from time to time undertake.

### **f) Review and examination of Financial Statements**

Review and examination of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are accurate, sufficient and credible and evaluation of internal financial controls and risk management systems, to obtain reasonable assurance based on evidence regarding processes followed and their appropriate testing that such systems are adequate and comprehensive and are working effectively. The Audit Committee shall review with appropriate officers of the Company and the statutory auditors, the annual financial statements of the Company prior to submission to the Board or public release thereof, focusing primarily on:

- 1) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134(5) of the Companies Act 2013;
- 2) Any changes in accounting policies and practices and reasons for the same;
- 3) Major accounting entries based on exercise of judgment by management;
- 4) Qualifications in draft audit report;
- 5) Significant adjustments made in the financial statements arising out of audit;
- 6) The going concern assumption;
- 7) Compliance with accounting standards;
- 8) Compliance with listing and legal requirements concerning financial statements;

9) Any related party transactions i.e. transactions of the Company with its subsidiaries, promoters or the management, or their relatives, etc. that may have conflict with the interest of the Company at large;

10) Contingent liabilities;

11) Status of litigations by or against the Company; and

12) Claims against the Company and their effect on the accounts.

*The definition of the term "Financial Statement" shall be the same as under section 2(40) of the Companies Act, 2013.*

**g) Review Quarterly Financial Statements**

Reviewing with the management, the quarterly interim financial statements before submission to the Board for approval.

**h) Evaluation of risk management systems**

Reviewing with the management, the implementation of the entire risk management process including the process of identifying significance risk exposures and mitigation thereof.

**i) Review the performance of the Internal and External Auditors**

Review with the management the performance of the statutory and internal auditors and the existence, adequacy and effective functioning of the internal control systems including internal control system over financial reporting, based on appropriate and effective evidence and such other matters as may be required.

**j) Oversight Role**

Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure the financial statements are correct, sufficient and credible.

**k) Review Internal Audit function**

Review the adequacy of the internal audit function, including the structure of the internal audit department, adequate staffing and the qualifications, experience, authority and autonomy of the person heading the department, the reporting structure, coverage and frequency of internal audit.

**l) Review Internal Audit plans**

Review with the senior internal audit executive and appropriate members of the staff of the internal auditing department, the plans for and the scope of their ongoing audit

activities and also review and approve the periodicity and programme for conducting the internal audit.

**m) Review Internal Audit reports**

Review with the senior internal auditing executive and appropriate members of the staff of the internal auditing department the periodic reports of the findings of the audit and reports and the necessary follow up and implementation of correction of errors and other necessary actions required. The Audit Committee shall also review the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of the internal control system of a material nature and ensure that proper corrective action is taken. Any such matters shall be reported to the Board if necessary and appropriate.

**n) Review systems of Internal Financial Controls**

Review with the statutory auditor and the senior internal auditor to the extent deemed appropriate by the Chairperson of the Committee, the adequacy of the Company's internal financial controls as defined in section 134 of the Companies Act 2013.

**o) Review and ensure the existence, adequacy and effective functioning of a Vigil Mechanism / Whistleblower Policy appropriate to the size, complexity and geographic spread of the Company and its operations**

The Vigil mechanism / Whistleblower Policy shall provide for adequate safeguards against victimization of all persons referring any matter under the mechanism and shall also provide for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. Matters referred and the action taken shall be regularly reported to the Committee once a quarter or more frequently. The mechanism and policy shall cover whistleblower and complaint references of all kinds, including alleged fraud by or against the Company, abuse of authority, misbehavior and ill treatment and unfair treatment of all kinds including all allegations and charges of harassment, sexual or otherwise, whether made by a named complainant or anonymously. Complaints which are prima facie frivolous in the view of the Ombudsperson Function or the Whistleblower Committee of the Company or other Committee or group of individuals responsible for investigating complaints and taking suitable action may be closed with appropriate reasons recorded. If any of the members of the Committee have a conflict of interest in a given case, they should recuse themselves and the others on the Committee would deal with the matter on hand.

**p) Review other matters**

Review such other matters in relation to the accounting, auditing and financial reporting practices and procedures of the Company as the Committee may, in its own discretion, deem desirable in connection with the review functions described above.

**q) Reporting to Board**

Report its activities to the Board in such manner and at such times, as it deems appropriate.

**r) Investigation**

The Audit Committee has the authority to investigate any matter in relation to the items specified in Section 177 of the Companies Act 2013 or referred to it by the Board and for this purpose; it shall have full access to the information contained in the records of the Company. It may also investigate any activity within its term of reference. It has the authority to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (for non-payment of declared dividends) and creditors, if any and any other instance of a failure of legal compliance.

**s) Seek information / advice**

The Audit Committee may seek information from any employee and may obtain from external independent sources any legal or other professional advice it considers necessary in the performance of its duties. It may also secure attendance of independent professional persons with suitable qualifications and relevant experience in specific matters, if it considers this necessary.

**t) Approval for appointment of Chief Financial Officer**

The Committee shall approve the appointment of the CFO (the whole-time Finance Director or any other person heading the finance function) after assessing the qualifications, experience and background etc. of the candidate.

**u) Review and monitor the Statement of Uses and Application of Funds**

Review and monitor, with the management, the statement of uses / application of funds raised through an issue (public, rights preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of the public issue or rights issue, etc. and make appropriate recommendations to the Board.

#### **v) Review of other Information**

The Audit Committee shall mandatorily review the following information:

- 1) Management discussion and analysis of financial condition and results of operation;
- 2) Statement of related party transaction submitted by the management;
- 3) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- 4) Internal audit reports relating to internal control weaknesses;
- 5) The appointment, removal and terms of remuneration of the Chief Internal Auditor;
- 6) Inter-corporate loans and investments including review of utilization of loans and/or advances from / investment by the Company in any of its subsidiary exceeding the prescribed limit of the asset size of the subsidiary as provided in SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015;
- 7) Valuation of undertakings and assets of the Company whenever necessary; and
- 8) Internal control system in regard to prevention of insider trading.

#### **w) Basis of Related Party Transactions**

- 1) The statement in summary form of transactions with related parties in the ordinary course of business shall be placed periodically before the audit committee.
- 2) Details of individual transactions with related parties, which are not in the normal course of business, shall be placed before the audit committee.
- 3) Details of individual transactions with related parties or others, which are not on arm's length basis shall be placed before the Audit Committee together with the management justification for the selection of the related party and the price and other terms agreed.
- 4) Approval or any subsequent modification of all transactions of the Company with related parties.
- 5) On satisfying itself adequately regarding the reasons for the related party transactions undertaken and the terms and conditions agreed including price and the observation of the arms' length principle, with suitable explanations for any departures, the Committee shall periodically approve the related party transactions.

*Explanation:*

*a) "Related Party Transaction" means a transaction envisaged as a related party transaction defined under the Companies Act, 2013 or under SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (including any amendments thereof).*

*b) "Related Party" means a related party as defined under the Companies Act, 2013, rules made thereunder and under applicable accounting standards and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereof).*

**x) To attend Annual General Meeting**

The Chairman of the Audit Committee shall attend the Annual General Meetings of the Company to provide any clarification on matters relating to its scope sought by the members of the Company.

The statutory auditors of the Company shall be special invitees to the Audit Committee meetings, and they shall participate in discussions related to the audit and reviews of the financial statements of the Company and any other matter that in the opinion of the statutory auditors needs to be brought to the notice of the Committee or any matter in which they are invited by the Committee to participate.

**y) Subsidiary Companies**

The Audit Committee of the holding company shall also review the financial statements, in particular the inter-corporate loans and investments made by or in the subsidiary companies.

**z) Reporting of Fraud by the Auditors**

In case the auditor has sufficient reason to believe that an offence involving fraud is being or has been committed against the Company by officers or employees of the Company, or by the Company the Auditor shall forward his report to the Committee and the Committee shall send its reply or observations to the Auditor and such matters shall be reported to the Board by the Committee.

**aa) Cost Auditor**

If the Company is required by the Companies Act, 2013 or other legal provision to appoint a Cost Auditor to have a cost audit conducted, the Committee shall take into consideration the qualifications and experience of the person proposed for appointment as the cost auditor and recommend such appointment to the Board, together with the remuneration to be paid to the cost auditor.

**ab) Review of the Terms of Reference of the Audit Committee**

The Committee shall review and reassess the adequacy of the terms of reference of the Audit Committee on a periodical basis, and where necessary obtain the assistance of the Management the Group's external auditors and external legal counsel.

**ac) Registered Valuer**

The Audit Committee shall prescribe the terms and conditions and the appointment of a registered valuer having the requisite qualifications and experience.

**ad) Review of scheme of restructuring**

The Audit Committee shall review and provide its comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the company and its shareholders.

**ae) Approval for merger & acquisition transactions**

The Audit Committee shall review and approve the proposals for mergers & acquisitions undertaken by subsidiaries for an Enterprise Value between USD 50 million to USD 200 million. Post approval by the Audit Committee, the approval for the transaction shall be considered and approved by the Board of Directors of the concerned subsidiary(ies).

**af) Performance evaluation of acquisitions**

The Audit Committee shall evaluate the performance of all acquisitions done by the Company and/or its subsidiaries.

**ag) Recommendations on capital structure plans**

The Audit Committee shall review and provide its recommendations to the Board on the proposals regarding capital structure plans including any specific equity / debt financing plans.

**ah) Opening/ Closing of Bank accounts of the Company**

The Audit Committee shall approve the opening and/or closing of bank accounts of the Company and change in signatories for operating the bank accounts of the Company.

## **Nomination and Remuneration Committee**

The terms of reference of Nomination and Remuneration Committee are as under:

- a)** Succession planning for certain key positions in the Company viz. Directors, Chief Executive Officer (CEO), Chief Operating Officer (COO), Chief Financial Officer (CFO), Senior Management and Corporate Officers. The Committee to identify, screen and review candidates, inside or outside the Company and provide its recommendations to the Board of Directors ("Board") for Directors, CEO & Senior Management.
- b)** Review and recommend to the Board the appointment/ re-appointment and removal of Directors (including Independent Directors), Key Managerial Personnel and persons in Senior Management and approve the appointment of Corporate Officers. While recommending the said re-appointment, the NRC would also consider the performance evaluation undertake for Directors proposed to be re-appointed.
- c)** Review of criteria to carry out the performance evaluation of the Board as a whole and individual Directors.
- d)** Recommend to the Board a policy relating to remuneration of Directors, Key Managerial Personnel and other employees.

The Nomination and Remuneration Committee while formulating the aforesaid policy shall ensure that –

- i)** The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully;
  - ii)** Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - iii)** Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- e)** Formulate the criteria for determining the qualifications, positive attributes and independence of Directors.
  - f)** Devise a Policy on Board Diversity.
  - g)** Review and approve / recommend the remuneration for the Corporate Officers/ Senior Management & Key Managerial Personnel of the Company.

- h)** Approve inclusion of senior officers of the Company as part of the Corporate Officers.
- i)** Approve/recommend promotions of the Corporate Officers/ Senior Management & Key Managerial Personnel.
- j)** Regularly review the Human Resource function of the Company.
- k)** Approve grant of stock options to the employees and / or Directors (excluding Independent Directors and Promoter Directors) of the Company and subsidiary / associate companies and perform such other functions and take such decisions as are required under the various Employees Stock Option Plans of the Company.
- l)** Discharge such other function(s) or exercise such power(s) as may be delegated to the Committee by the Board from time to time.
- m)** Make reports to the Board as appropriate.
- n)** Oversight of the induction, training and familiarisation programme(s) of directors
- o)** Review and reassess the adequacy of this charter periodically and recommend any proposed changes to the Board for approval from time to time.

## **Stakeholders' Relationship Committee**

The Stakeholders' Relationship Committee has been formed to undertake the following activities:

- a. To review and take all necessary actions for redressal of grievances and complaints of security holders as may be required in the interests of the security holders.
- b. To review the measures taken for effective exercise of voting rights by shareholders.
- c. To review the adherence to the service standards adopted by the Company in relation to various services provided by the Registrar & Share Transfer Agent.
- d. To review the following:
  - (a) measures and initiatives taken for reducing the quantum of unclaimed dividends, and
  - (b) ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders
- e. To approve requests of re-materialisation of shares / securities, issuance of split and duplicate shares / security certificates.

## Risk Management Committee

The terms of reference of the Risk Management Committee are as under:

- a) To assist the Board of Directors ("Board") in overseeing the responsibilities with regard to the identification, evaluation, monitoring and mitigation of internal and external risks, in particular including financial, operational, strategic sectoral, sustainability (particularly, ESG related risks), information cyber security risks, privacy and data protection risks or any other risk as may be determined by the Risk Management Committee ("Committee").
- b) To assist the Board in taking appropriate measures to achieve a prudent balance between risk and reward in both ongoing and new business activities.
- c) To formulate a detailed Risk Management Policy and periodically review and approve it, at least once in two years, including by considering the changing industry dynamics and evolving complexity associated framework, processes and practices.
- d) To ensure there is an appropriate global privacy compliance program in place for the Company to mitigate significant privacy risks.
- e) To evaluate significant risk exposures including business continuity planning and disaster recovery planning to ensure a Business Continuity Plan ("BCP") is in place for the Company.
- f) To assess management's actions in mitigating the risk exposures in a timely manner.
- g) To promote enterprise-wide Risk Management and obtain comfort based on adequate and appropriate evidence that the Management of the Company ensures the implementation and effective functioning of the entire risk management process and embedding of a comprehensive risk management culture in the Company at every stage of its operations.
- h) To keep the board informed of all its decisions, recommendations and actions to be taken and to assist the Board in maintenance and development of a supportive culture, in relation to the management of risk, appropriately embedded through procedures, training and leadership actions so that all employees are alert to the wider impact on the whole organization of their actions and decisions.
- i) To maintain an aggregated view on the risk profile of the Company / industry in addition to the profile of individual risks.

- j) To ensure the implementation of and compliance with the objectives set out in the Risk Management Policy including evaluating the adequacy of risk management systems.
- k) To advise the Board on acceptable levels of risk appetite, tolerance and strategy appropriate to the size and nature of business and the complexity and geographic spread of the Company's operations.
- l) To review and reassess the adequacy of this charter periodically and recommend any proposed changes to the Board for approval from time to time.
- m) The Committee shall have access to any internal information necessary to fulfill its oversight role. As and when required the Committee may assign tasks to the Internal Auditor, the Company's internal Risk management team, seek necessary information from any Employee and any external expert advisors considered necessary for any task and they will provide their findings to the Committee.
- n) To review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any).
- o) To coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board.
- p) Treasury and Forex Policy:
  - i) To approve the treasury/ investment policy and review the performance thereof.
  - ii) To plan & prepare strategies for managing the foreign exchange exposure and to approve the forex/ hedging policy and monitor its performance.
  - iii) To consider and approve any changes in the Treasury and Forex Policy as may be required from time to time.
- q) To review and approve the insurance coverage program for the Company.

## Corporate Social Responsibility

The terms of reference of the Corporate Social Responsibility Committee are as under:

- a) Formulate and recommend to the Board, a CSR Policy.
- b) Recommend the amount of expenditure to be incurred on CSR activities.
- c) Formulate and recommend to the Board the Annual Action Plan, which shall include:
  - i) the list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act, 2013;
  - ii) the manner of execution of such projects or programs;
  - iii) the modalities of utilization of funds for the projects or programs;
  - iv) Implementation schedules for the projects or programs;
  - v) monitoring mechanism for the projects or programs;
  - vi) reporting mechanism for the projects or programs; and
  - vii) details of need and impact assessment, if any, for the projects undertaken by the company.
- d) Institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company.
- e) Monitor the Annual Action Plan for the CSR activities of the Company from time to time.
- f) Monitor the CSR Policy from time to time.
- g) Recommend to the Board, the treatment of short / excess spending in any financial year, as per the provisions of the Companies Act, 2013 and the Rules made thereunder.
- h) Review the need for Impact Assessment, if any, for the projects or programmes.

## ESG & Diversity Equity Inclusion Committee

### Terms of Reference

The terms of reference of the ESG & Diversity Equity Inclusion Committee are as under:

#### **Matters related to Diversity & Inclusion:**

##### Gender Diversity –

1. To support the progression of women into senior roles.
2. To ensure fair representation of women candidates in the hiring process.
3. To ensure fairness in promotion, compensation, rewards and leadership development process.
4. To build the leadership pipeline to achieve balanced gender ratio to all the levels of leadership.
5. To manage bias in talent review and succession planning.

##### Culture and Ethnicity –

1. To measure culture via setting of cultural indicators.
2. To promote inter-cultural competence.
3. To ensure high impact leadership transitions.
4. To create a culturally balanced diverse workforce.
5. To empower people of different ethnicity and diverse cultural backgrounds.

##### Individuals with Disabilities –

1. To ensure non-discrimination and recognition of the diversity of people with disabilities.

2. To ensure that job opportunity announcements contain language emphasizing hiring for individuals with disabilities and accordingly identify the roles/open positions available.
3. To ensure implementation of inclusive global policies.
4. To ensure specialized training is provided to all employees for ensuring accessible workplace.
5. To track and monitor employment of individuals with disabilities ("IWD") on a quarterly basis.

**Matters related to ESG:**

- a) To review emerging risks and opportunities associated with sustainability/ESG issues relative to the Company that have the potential to impact reputation and business performance including, but not limited to the following:
  - Environment - Nature of core business and impact of business on environment, Emissions / Waste Disposals / Effluents discharge, Climate change, the energy transition, emissions, including Greenhouse Gases ("GHGs") and emissions reductions technologies, carbon pricing.
  - Social - Impact of company's product / service on society, Employee relationship, Diversity & Equality, Social impacts such as human rights and stakeholder relations.
  - Governance - Promoters' track record towards minority shareholders, Capital Allocation track record, Board related metrics, Auditors related metrics, Business & Accounting Disclosures, quality and significant legislative and regulatory changes, including policy proposals and modifications that could materially impact the Company's business.
- b) To approve the immediate and long-term plans and strategy for sustainability/ESG and satisfy itself that such strategies are integrated into the Company's strategic plan. The Committee shall also approve the annual sustainability/ ESG goals, metrics and targets for the Company and shall assess the performance against the targets, standards, metrics or methodologies from time to time.
- c) To guide the management on the Company's public disclosures with respect to ESG matters, including any ESG disclosures for inclusion in the Company's Annual Report, Website and other documents which are intended to be disclosed to the public and/or

the Company's shareholders, and the Company's engagement with stakeholders, including any proposals, concerns and other ESG issues that shareholders wish to bring to the Company.

- d) To review the report of Business Responsibility and Sustainability Reporting as part of the annual report, including the initiatives taken by the Company in relation to the 9 principles of the BRSR Core, and recommend it to the Board for their approval.
- e) To retain such outside counsel, experts and other advisors, as the Committee may deem appropriate in its sole discretion.
- f) To review and assess the aforesaid terms periodically and recommend any proposed changes for the Board's approval.