



EXICOM TELE -SYSTEMS LIMITED

Charter of the Risk Management Committee



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1. Purpose

The Risk Management Committee (RMC) is established by the Board of Directors of Exicom Tele-Systems Limited ("the Company") to assist in fulfilling its oversight responsibilities regarding the identification, evaluation, and mitigation of risks that may impact the Company's strategic objectives. The RMC ensures that the Company's risk management framework aligns with the Risk Management Policy and complies with applicable regulations, including Regulation 17(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Section 134(3) of the Companies Act, 2013.

The Committee reports to and is accountable to, the Board of Directors ('Board') of the Company.

2. Composition

- **Members:** The RMC shall comprise a minimum of three members, with a majority being members of the Board of Directors, including at least one independent director. Additionally, senior executives of the listed entity may be appointed as members of the committee.
- **Chairperson:** The Chairperson of the Risk management committee shall be a member of the board of directors.
- **Quorum:** The quorum for a meeting of the Risk Management Committee 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.

3. Secretary

The Company Secretary shall act as Secretary to the Committee Meetings

4. Responsibilities

The RMC shall have the following duties and responsibilities:

4.1 Risk Management Framework

- Review and approve the Company's Risk Management Policy and associated frameworks, processes, and practices.
- Ensure that the Company maintains a structured and disciplined approach to risk management, as outlined in the Risk Management Policy.



4.2 Risk Assessment and Mitigation

- Oversee the identification and assessment of significant risks, including financial, operational, sectoral, sustainability (particularly ESG-related risks), foreign exchange risks, hedging risks, information, and cybersecurity risks.
- Evaluate the effectiveness of risk mitigation strategies and ensure that appropriate measures are in place to manage identified risks.

4.3 Risk Appetite and Tolerance

- Define and recommend the Company's risk appetite and tolerance levels to the Board.
- Monitor adherence to the established risk appetite and tolerance levels.

4.4 Monitoring and Reporting

- Review and monitor the progress of risk mitigation plans and their effectiveness.
- Ensure that risk management activities are integrated into the Company's strategic planning process.
- Report to the Board regarding the status of risk management activities and significant risk exposures.

4.5 Coordination with Other Committees

- Coordinate with other Board committees, such as the Audit Committee, to ensure comprehensive risk oversight.
- Address any overlap with activities of other committees as per the framework laid down by the Board of Directors.

4.6 Derivative Transactions Oversight

- Transaction Limits: Establish and approve per-transaction limits for derivative instruments, ensuring they align with the company's risk appetite and regulatory requirements.
- Authorized Officials: Designate specific officials authorized to undertake derivative transactions, maintaining a clear record of their authority and responsibilities.
- Mark-to-Market (MTM) Valuations: Ensure regular MTM valuations of derivative positions are conducted and reviewed, facilitating accurate financial reporting and risk assessment.
- Accounting Policies and Disclosure Norms: Review and approve accounting policies related to derivative transactions, ensuring transparency and compliance with applicable accounting standards.



4.7 Segregation of Duties

- Ensure a clear separation of duties among the front office (transaction execution), middle office (risk management), and back office (settlement and accounting) functions to prevent conflicts of interest and enhance internal controls.

4.8 Reporting Mechanisms

- Establish procedures for regular reporting to the Board on derivative exposures, compliance with transaction limits, MTM valuations, and any breaches or exceptions noted.

4.9 Integration with Strategic Planning

The Committee shall ensure that risk management activities are integrated into the Company's strategic planning process. This includes:

- Reviewing how identified risks may impact strategic objectives.
- Assessing whether the Company's risk appetite aligns with its strategic goals.
- Ensuring that risk considerations are embedded in decision-making at all levels.

5. Meetings

- The RMC shall meet at least twice a year, with additional meetings convened as necessary.
- Meetings shall be scheduled to allow sufficient time for discussion of risk-related matters.
- Minutes of each meeting shall be documented and approved by the Committee and will be submitted to the Board in subsequent meeting, for noting.

6. Authority

The RMC is authorized to:

- Access all company records and information necessary to fulfill its responsibilities.
- Obtain external legal, accounting, or other professional advice as deemed necessary.
- Delegate specific responsibilities to subcommittees or management, as appropriate.

7. Communication

The RMC shall ensure that this Charter is made available to stakeholders upon request and consider publishing it on the Company's website. This transparency reinforces the Company's commitment to robust risk management practices.
