



**PDS LIMITED**  
*(Erstwhile PDS Multinational Fashions Limited)*

**RISK MANAGEMENT COMMITTEE CHARTER**  
*(Approved by Board of Directors on May 27, 2021)*

## 1. OBJECTIVE

The Board of Directors of the Company, "PDS Limited" have constituted Risk Management Committee ("the Committee") in terms of Regulation 21 of Securities and Exchange Board of India, (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") read along with the applicable Rules thereto and as amended from time to time in fulfilling its corporate governance oversight responsibilities with regard to:

- a. identification, evaluation and mitigation of strategic, operational, and external environment risks.
- b. monitoring and approving the risk management framework and associated practices of the Company.

## 2. DEFINITIONS

- 3.1 "Act" means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 3.2 "Company" shall mean PDS Limited.
- 3.3 "Board" means Board of Directors of the Company.
- 3.4 "Directors" mean Directors of the Company.

## 3. COMPOSITION OF RISK MANAGEMENT COMMITTEE

The Risk Management Committee shall comprise of minimum three members with majority of them being Members of the Board of Directors, including at least one Independent Director. The Chairman of the Committee shall be a Member of the Board of Directors.

## 4. TERMS OF REFERENCE OF RISK MANAGEMENT COMMITTEE

The Board of Directors of the Company at their meeting held on May 24, 2021, has adopted the following terms of reference of the Risk Management Committee pursuant to the SEBI Listing Regulations read with the Act and applicable rules thereto which includes-

- i. To formulate a detailed risk management policy which shall include:
  - A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, Environment, Social and Governance related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - Measures for risk mitigation including systems and processes for internal control of identified risks.
  - Business continuity plan.
- ii. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
- iii. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
- iv. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
- v. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.
- vi. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
- vii. To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

## 5. QUORUM

- Two Members or one third of the members of the Committee, whichever is higher, with at least one Independent Director present either personally or through electronic mode, as permitted by applicable laws.
- Electronic mode shall be counted for quorum except on such restricted items as prescribed under the Act.
- Quorum shall be present throughout the meeting.
- Where a member is interested in a particular item, he/she shall not be present (physically or through Electronic Mode), during discussion and shall not vote on such item.

## 6. WORKING PROCEDURE

### a. Frequency of the meeting:

The Committee shall meet at least twice in a year, in such a manner that the gap between 2(two) Risk Management Committee meetings shall not exceed 180 (One Hundred and Eighty) days.

### b. Notice of Meetings

Meetings of the Committee shall be called by the secretary of the Committee, by sending a proper Notice, by following such procedure as specified by the Board from time to time.

### c. Voting

- Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed to be decision of the Committee.
- In the case of equality of votes, the Chairman of the meeting will have a casting vote.

### d. Company Secretary of the Committee:

The Company Secretary of the Company shall act as a Secretary of the Committee.

## 7. AMENDMENT

Any change in the Charter shall be approved by the Board of Directors or any of its Committees (as may be authorized by the Board of Directors in this regard). Any subsequent amendment / modification in the SEBI Listing Regulations and / or any other laws in this regard shall automatically apply to this Charter.

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