



**KENNAMETAL INDIA LIMITED**

**RISK MANAGEMENT COMMITTEE CHARTER**

**Amended August 18, 2021**

**Contents:**

1. Purpose
2. Composition and Membership
3. Meetings
4. Notice and Proceedings of the Meeting
5. Duties and responsibilities
6. Reporting responsibilities

## **1. PURPOSE**

The purpose of the Risk Management Committee (the “Committee”) is to identify, assess, monitor and manage risk as applicable to Kennametal India Limited (“KIL” or “Company”). The Committee is to oversee report and make recommendations to the Board of Directors of KIL in respect of financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

## **2. COMPOSITION & MEMBERSHIP**

- i. The Committee shall comprise of not less than three members consisting of the Directors and Senior Executives of the Company who may be appointed by the Board, the majority of whom shall be members of the Board of Directors of the Company, including at least one Independent Director.
- ii. The Chairman of the Committee shall be a member of the Board of Directors of the Company.
- iii. The members of the Committee shall be appointed by the Board and may be removed at any time with or without cause and be replaced by the Board. The members of the Committee shall serve for such term or terms as the Board may determine or until earlier resignation or death. The Chairman of the Committee shall be designated by the Board. In the absence of the Committee Chairman, the members attending shall elect one of them to be Chairman for that meeting from amongst the members who are Directors.
- iv. The quorum for meetings of the Committee shall be two members or one third of the composition whichever is higher, with at least one Director Member who shall chair such meeting.

## **3. MEETINGS**

- i. The Committee shall meet atleast twice in a year and not more than 180 days shall elapse between the two meetings. The Committee may request any officer or employee of the Company or the Company’s outside counsel or other advisor to attend any specific meeting of the Committee or to meet with any members of, or consultants to, the Committee.
- ii. The Committee shall have access to the services of the Company’s secretariat function on all Committee matters, including assisting the Committee Chairman in planning the Committee’s work, drawing up meeting agendas, maintenance of minutes, drafting of material about its activities for the annual report, collection and distribution of information and provision of any necessary practical support.

## **4. NOTICE, PROCEEDINGS OF THE MEETINGS**

- i. Meetings of the Committee shall be convened by the Company Secretary at the request of the Committee Chairman or any of its members.
- ii. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of the items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend, no later than seven days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

- iii. The Secretary shall minute the proceedings and the resolutions of all Committee meetings, including the names of those present and in attendance. Other Board members have the right to attend Risk Management Committee meetings, though they shall not be counted in the quorum.
- iv. The Committee is authorized to seek any information it requires from any employee of the Company in order to perform its duties.
- v. The Committee may, with the authorization, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.

## **5. DUTIES AND RESPONSIBILITIES**

Subject to the powers and duties of the Board, the Board hereby delegates to the Committee the following powers and duties to be performed by the Committee on behalf of and for the Board. The Committee shall:

- a) Formulate, monitor and implement Risk Management Policy and the Policy shall be subject to review at least once in every two years;
- b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- c) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- d) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- e) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- f) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
- g) The Risk Management Committee shall 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 of directors;
- h) review the following with management, with the objective of obtaining reasonable assurance that financial risk is being effectively managed and controlled:
  - a. management's tolerance for financial risks;
  - b. management's assessment of significant financial risks facing the Company;
  - c. the Company's policies, plans, processes and any proposed changes to those policies for controlling significant financial risks; and
  - d. to review with the Company's counsel, legal matters which could have a material impact on the Company's public disclosure, including financial statements; and
- i) Review and undertake all other tasks and responsibilities prescribed in the SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) Regulations, 2015 (as amended from time to time), the Companies Act, 2013 and its amendments thereto

## 6. REPORTING RESPONSIBILITIES

- i. The Committee shall report to the Board on its proceedings on all matters within its duties and responsibilities.
- ii. Review and reassess its charter once in every two years and recommend any changes to the Board for approval.

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