

Chembond Material Technologies Limited
(formerly Chembond Chemicals Limited)
Risk management Plan & Policy

(As per Regulation 17(9) read with Regulation 21 of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015 (Listing Regulations))

A. Legal Framework:-

Regulation 17(9) of Listing Regulations stipulates that listed entity shall lay down procedures to inform the Board Members about risk assessment and minimization procedures.

B. Objective & Purpose of the Policy:-

Risk management could be defined as the process of identifying and measuring uncertain events which may affect resources or operations of the Company adversely and, accordingly, taking necessary safeguards against any potential damage or loss.

Risk Management is a key aspect of Corporate Governance Principles which aims to improvise the governance practices across the Company's activities. Risk management policy and processes will enable the Company to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts and capitalize on opportunities.

The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business of Chembond Material Technologies Limited (or "Company"). In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management in order to guide decisions on risk related issues.

Risk can relate to various areas of business and operations which, *inter alia*, include company assets and property, employees, foreign currency risks, operational risks, non-compliance with statutory enactments, competition risks, contractual risks etc.

The specific objectives of the Risk Management Policy are:

1. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
2. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
3. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;

C. Business Continuity Plan

Business Continuity Plans (BCP) are required to be defined for High Impact & High Velocity risk, to enable rapid response to address the consequence of such risks when they materialize. Business Continuity Planning shall be embedded in the Internal Controls and Crisis Management framework for products, systems and processes etc.

D. Implementation:-

The Board of Directors of the Company and the Audit Committee shall periodically review and evaluate the risk management system of the Company, as and when required, so that the management controls the risks through properly defined network.

Although the management and decision-making powers vest in the Board of Directors, respective heads of all departments shall also be responsible for implementation of the risk management system as may be applicable to their respective areas of functioning and report to the Board and Audit Committee, wherever required.

E. Constitution of Risk Management Committee:-

The Company constituted the Risk Management Committee on 30th May 2013 which was re-constituted by the Board at its meeting held on 26th July 2024 effective from 8th August 2024.

The Board will be required to define the roles & responsibilities of the Risk Management Committee & may delegate monitoring & reviewing of the risk management plan to the Committee & such other functions as it may deem fit.

F. Application :-

This policy applies to all areas of the Company's operations.

G. Role of the Board :-

The Board shall undertake following actions to manage risk appropriately:

- The Board shall be responsible for framing, implementing and monitoring the risk management plan/policy for the Company.
- The Company through the Board shall Constitute and define the roles and responsibilities of the Risk Management Committee and may delegate monitoring and reviewing of the risk management plan/policy to the Committee and such other functions as it may deem fit.
- Ensure that the appropriate systems for risk management are in place.
- Independent directors shall help in bringing an independent judgment to bear on the Board's deliberations on issues of risk management and satisfy themselves that the systems of risk management are robust and defensible;

- Participate in major decisions affecting the organization's risk profile;
- Have awareness of & continually monitor the management of strategic risks;
- Be satisfied that processes and controls are in place for managing less significant risks;
- Be satisfied that appropriate accountability framework is working whereby any delegation of risk is documented & performance can be monitored accordingly;
- Ensure risk management is integrated into Board reporting and annual reporting mechanisms.

Policy review:-

This Policy is framed based on the provisions of the Listing Regulations.

In case of any subsequent changes in the provisions of Listing Regulations or any other applicable law which make the provisions in the Policy inconsistent with the Listing Regulations or any other applicable law, the provisions of the Listing Regulations and such law shall prevail over the Policy and the provisions in the Policy shall be modified in due course to make it consistent with the law.

The Policy shall be reviewed once in every two years by the Risk Management Committee including by considering the changing industry dynamics and evolving complexity.

For Chembond Material Technologies Limited

Sameer V. Shah
Chairman & Managing Director

25th October 2024
Mumbai