

INVESTMENT AND RISK MANAGEMENT COMMITTEE

COMPOSITION

- (1) The Investment and Risk Management Committee ('Committee') shall have minimum three directors as members with majority of them being members of the board of directors, including at least one independent director.
- (2) Chairperson of the Committee shall be member of the board of directors and senior executives of the company may be members of the committee.

MEETING AND QUORUM

- (1) The Committee shall meet at least twice in a year. The maximum gap between two consecutive meetings of Committee shall not exceed one hundred and eighty days.
- (2) Quorum for the meeting shall be two members or one third of the total members of Committee, whichever is higher, subject to attendance of atleast one such member of the Committee who is a director of the Company.

ROLE AND RESPONSIBILITIES

(A) Business Strategy Matters

- (1) Review and provide recommendation on strategic and/or long-term investments, loans, guarantees, acquisitions or divestment by Cipla Limited in any legal entity to the Board.
- (2) Review and provide recommendation on strategic and/or long-term investments, loans, guarantees, acquisitions or divestment by any of Cipla subsidiaries in any legal entity outside Cipla group to Cipla Board of Directors.
- (3) Approve purchase, sell or disposal of Intellectual Property Rights or other assets and entering into in-licensing deals by Cipla or review and provide recommendation to any of its subsidiaries / associates / joint ventures for Rs. 175 crore or more but upto Rs.525 crore. The proposals exceeding Rs. 525 crore shall be approved by the Board directly for Cipla and the Board will provide its recommendation for any of the above for the subsidiaries / associates / joint ventures.

(4) Subject to approval of the shareholders, as may be required under the applicable laws for the time being in force, to approve sell, lease or disposal of any undertaking or substantially the whole of undertaking by Cipla or review and provide recommendation to any of its subsidiaries /associates/ joint ventures for an amount exceeding Rs.50 crore but within the limits mentioned under section 180(1)(a) of the Companies Act, 2013.

(5) Monitor short term and long-term strategic priorities of the Company.

(B) Capex Budget

(6) Review and recommend to the Board annual capital expenditure budget of the Company.

(7) Review and recommend to the Board any unbudgeted capital expense.

(8) Monitor with adequate frequency the key ongoing capex projects including post- implementation review/governance.

(C) Risk Management

(9) Formulate a detailed risk management policy, which shall include:

a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or such other risk as may be determined by the Committee.

b) Measures for risk mitigation including systems and processes for internal control of identified risks.

c) Business continuity plan

(10) Monitor and oversee implementation of the risk management policy and evaluate the adequacy of risk management systems.

(11) Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.

(12) Review periodically the Risk Management Policy, atleast once in two years, including by considering the changing industry dynamics and evolving complexity.

(13) Keep the Board informed on the nature and content of its discussions, recommendations and actions to be taken;

(D) ESG & Sustainability matters

- (14) Periodically review environmental, social and governance (ESG)/ Sustainability matters pertaining to the Company, including initiatives and reporting.
- (15) Review and recommend to the Board the Business Responsibility Report / Business Responsibility and Sustainability Report which is required to be included in the Annual Report of the Company.

(E) Miscellaneous

- (16) Discharge such duties and functions as indicated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and the rules made thereunder from time to time.
- (17) Discharge such duties and functions as may be delegated to the Committee by the Board under the applicable laws from time to time.
- (18) Delegate any of the terms mentioned hereinabove to any officer / employee of the Company or to any other person.

POWERS

The Investment and Risk Management Committee shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.

