

**DR. REDDY'S LABORATORIES LIMITED**  
**RISK MANAGEMENT COMMITTEE CHARTER**  
*Effective from November 1, 2021*

**1. Primary Objectives**

The Risk Management Committee is a committee constituted by, and accountable to, the Board of Directors (or the 'Board') of Dr. Reddy's Laboratories Limited ('DRL' or 'the Company').

The primary responsibilities are to:

- Discuss with senior management, the adequacy of the Company's Enterprise Risk Management (ERM) function and provide oversight as may be needed;
- Ensure it is apprised of the most significant risks along with the methodology and process of monitoring and actions, management is taking and how it is ensuring effective ERM;
- Reviewing risk disclosure statements in any public documents or disclosures.

**2. Composition**

The Committee shall include at least three independent Directors<sup>1</sup>. The Chairman of the Committee shall be designated by the Board.

**3. Secretary**

The Chief Risk Officer (CRO), or in absence of a CRO, the Chief Financial Officer (CFO) shall act as Secretary to the Committee.

**4. Quorum**

The quorum necessary for transacting business at a meeting of the Committee shall be two members or one-third of the members of the Risk Management Committee; whichever is greater.

**5. Meetings**

The Committee will normally meet prior to each regularly scheduled quarterly meeting of the Board or at such other time as deemed fit by it. However, it shall meet not less than twice in a year with a gap of no more than of 180 days between two meetings.

**6. Authority**

The Committee shall have free access to management and management information. The Committee, at its sole authority, may seek the advice of outside experts or consultants at the company's expense where judged necessary, to discharge its duties and responsibilities.

**7. Specific Responsibilities**

- Formulate, review and recommend changes to the Risk Management Policy, its implementation and / or associated frameworks, processes, practices and measures for risk mitigation of the Company, in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Be aware and concur with the Company's Risk Appetite including risk levels, if any, set for financial and operational risks.

- Ensure that the Company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.
- Review the Company's portfolio view of risks and considering it against the Company's Risk Appetite.
- Being apprised of significant risk exposures of the Company and whether Management is responding appropriately to them including data privacy and cyber security risk.
- Coordinate its activities with the Audit Committee in instances where there is any overlap with audit activities. For example, internal or external audit issue relating to risk management policy or practice.
- The Risk Management Committee shall have access to any internal information necessary to fulfill its oversight role. The Risk Management Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.
- Review and approve appointment, removal and terms of remuneration of Chief Risk Officer (if any).
- Perform other activities related to this Charter as requested by the Board of Directors or to address issues related to any significant subject within its term of reference.

#### **8. Reporting**

The Committee shall report on its activities, and summarize any recommendations; at each quarterly Board meeting. It shall also draft an appropriate report for inclusion in the Company's annual report.

#### **9. Evaluation**

- The Committee, if deemed necessary, may conduct a performance evaluation relative to its purpose, duties, responsibilities and effectiveness and recommend, any changes, it considers necessary for the approval of the Board of Directors.
- The Committee may conduct such evaluation and reviews at such intervals and in such manner as it deems appropriate.

#### **10. Review of Risk Management Committee Charter**

The adequacy of this charter shall be reviewed and reassessed by the Committee at such intervals as the Committee deems appropriate and recommendations, if any shall be made to the Board to update the same from time to time.

Approved by: Board of Directors on October 29, 2021

1 Independence of such Directors shall be decided upon by the Board and in accordance with the applicable rules and regulations laid down by the Securities & Exchange Board of India (SEBI), the Companies Act, 2013, the New York Stock Exchange (NYSE), the Securities Exchange Act of 1934 of the United States of America and such other legal and regulatory environment that may be applicable to the Company.