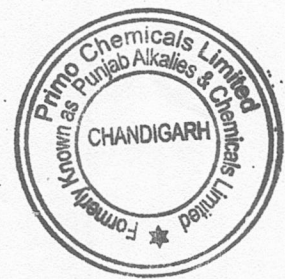


PRIMO CHEMICALS LIMITED

RISK MANAGEMENT POLICY



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PRIMO CHEMICALS LIMITED
Risk Management Policy

INTRODUCTION:

As per Regulation 17 (9) read with Regulation 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the listed entity shall lay down procedures to inform members of the Board of Directors about risk assessment and minimization procedures and the Board of Directors shall constitute a Risk Management Committee and define the Role of the Committee. The Board of Directors shall be responsible for framing, implementing and monitoring the risk management plan for the listed entity.

Section 134(3) (n) of the Companies Act, 2013 ("Act") states that there shall be attached to statements (i.e. financial statements) laid before a company in general meeting, a report by its Board of Directors, which shall include - "a statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company".

The Company recognizes risk management as an integral part of good corporate governance and fundamental in achieving its strategic and operational objectives. The Company, in accordance with the above Listing Regulations, has formulated Risk Management Policy which is approved by Board of Directors in its meeting held on 1st August, 2022.

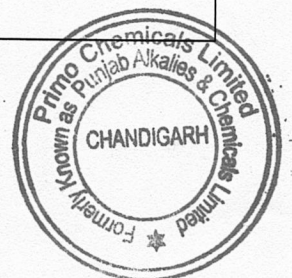
POLICY OBJECTIVE:

The objective of the policy is to enhance the capabilities of the Company to deal with the strategic and operational risks effectively through implementation of appropriate policies and facilitating the process of Risk Management ,

PROCESS AND PROCEDURE

The risk management process consists of the following main elements:

Identify	:	identify a risk and document the risks captured by the risk register owner.
Assess	:	the primary goal is to document the net effect of all identified risks, by assessing: <ul style="list-style-type: none">• Likelihood of risks;• Impact of each risk;• Proximity of risk; and• Prioritisation based on scales.
Plan	:	preparation of management responses to mitigate the risks.



Implement	:	risk responses are actioned.
Monitor and review	:	monitor and review the performance of the risk management system and changes to business initiatives.
Communicate	:	provide regular reports to Risk Management Committee / Board at regular intervals.

RISK MANAGEMENT COMMITTEE:

Pursuant to the provisions of Regulation 21 of the Listing Regulations, the Board of Directors at its 315th Meeting held on 5th May, 2022 constituted the Risk Management Committee of Directors comprising of members of the Board. The Risk Management Committee of Directors shall review and monitor the various risks concerning the Company and its mitigation plan and such other functions as required under the Listing Regulations or other applicable laws, as amended from time to time.

The Company has constituted a Risk Management Committee as it is a part of top 1000 listed companies by market capitalization at present as per Regulation 21 of the Listing Regulations.

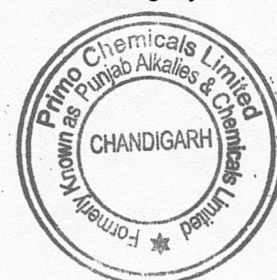
The Risk Management Committee shall meet at least twice in a year in such a manner that on a continuous basis not more than one hundred and eighty days shall elapse between any two consecutive meetings.

The quorum for the Risk Management Committee shall be either two members or one third of the members of the Committee, whichever is higher, including at least one independent director.

ROLE OF RISK MANAGEMENT COMMITTEE:

The role of the Risk Management Committee shall, inter alia, include the following:

1. To 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 (i.e. Environment, Social & Governance (ESG) related risks), information, cyber security risks or any 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.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;



5. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;

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.

The Risk Management Committee has responsibility to review and report to the Board that:

- (a) the Committee has, at least once in two years, reviewed the risk management policy / framework to satisfy itself that all potential risks are identified;
- (b) risk management plan /processes have been designed properly and implemented effectively to manage the identified risks;
- (c) such risk management plan /processes are reviewed and monitored regularly;
- (d) proper remedial action is undertaken to redress areas of potential risk.

AMENDMENT IN LAW:

Any subsequent amendment /modification in the Listing Regulations /Act in this regard shall automatically apply to this Policy. The policy shall be reviewed from time to time to ensure that it complies with the requirement of legislation.

