

# **INFIBEAM INCORPORATION LIMITED**

## **RISK MANAGEMENT POLICY**

### **LEGAL FRAMEWORK**

Risk Management is a key aspect of the “Corporate Governance Principles and Code of Conduct” 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.

### **OBJECTIVE & PURPOSE OF POLICY**

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. 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.

### **The specific objectives of the Risk Management Policy are:**

1. To ensure that all the current and future material risk exposures of the company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e. to ensure adequate systems for risk management.
2. To establish a framework for the company’s risk management process and to ensure its implementation.

3. To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
4. To assure business growth with financial stability.

## **DISCLOSURE IN BOARD'S REPORT**

Board of Directors 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.

## **BACK GROUND AND IMPLEMENTATION**

The Company is prone to inherent business risks. This document is intended to formalize a risk management policy, the objective of which shall be identification, evaluation, monitoring and minimization of identifiable risks.

This policy is in compliance with the amended Clause 49 of the Listing Agreement which requires the Company to lay down procedure for risk assessment and procedure for risk minimization.

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

Head of Departments shall 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.

## **CONSTITUTION OF RISK MANAGEMENT COMMITTEE**

Risk Management Committee has been constituted by the company in terms of the provisions of clause 49 of the listing agreement.

The Board shall 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.

## **APPLICATION**

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

## **ROLE OF THE BOARD**

The Board will undertake the following actions to ensure risk is managed appropriately:

- The Board shall be responsible for framing, implementing and monitoring the risk management plan for the company.
- The Board shall define the roles and responsibilities of the Risk Management Committee and may delegate monitoring and reviewing of the risk management plan to the Committee and such other functions as it may deem fit.
- Ensure that the appropriate systems for risk management are in place.
- The 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 an awareness of and continually monitor the management of strategic risks;
- Be satisfied that processes and controls are in place for managing less significant risks;
- Be satisfied that an appropriate accountability framework is working whereby any delegation of risk is documented and performance can be monitored accordingly;
- Ensure risk management is integrated into board reporting and annual reporting mechanisms;
- Convene any board-committees that are deemed necessary to ensure risk is adequately managed and resolved where possible.

## **REVIEW**

This policy shall be reviewed at a minimum at least every year to ensure it meets the requirements of legislation & the needs of organization.

**Constitution of Risk Management Committee** - The Risk Management committee has been formed to manage and mitigate the credit and operational risk. The risk is managed at various levels by the Risk, RCG (Risk Control Group), Compliance, Legal, Finance, Treasury and Tax departments.

**Purpose:** A Risk Management Committee has been constituted to manage the integrated risk in compliance with the regulatory provisions. However, the risk functions are performed and managed at the group level. (Note: This committee although formed is currently dormant. There is a need to determine the constitution and management of these committees at the legal entity level with defined scope basis the nature of business for each entity and applicable local laws.

## **Scope of the Risk Management Committee**

- i) To formulate overall Integrated Risk Management Policy for the Company
- ii) To constantly monitor the prevailing and forthcoming risks and framing policy for mitigating the same.

The minutes of these meetings are placed before the board for its review.