

AFFLE (INDIA) LIMITED **RISK MANAGEMENT POLICY**

1. BACKGROUND

Affle (India) Limited (hereinafter also referred to as the “Company”), has formulated the Risk Management Policy (the “Policy”) which seeks to identify risks inherent in the operations of the Company and provides guidelines to define, assess, measure, report, control and mitigate the identified risks.

2. OBJECTIVE

The main objective of this Policy is to incorporate effective frameworks for taking informed decisions about risks and to minimize the adverse consequence of potential risks on the Company. This will help ensure that the Company’s strategic purpose of sustainable and inclusive growth for all its stakeholders is upheld. In order to achieve the key objective, this Policy establishes a structured risk management framework which will help the Company identify and assess the potential risks and effectively monitor the mitigation strategy. These include:

- a) Providing a framework, that enables future activities in a consistent and controlled manner;
- b) Improving decision making, planning and prioritization by comprehensive and structured understanding of business activities, volatility and opportunities/ threats;
- c) Contributing towards more efficient use / allocation of the resources within the organization;
- d) Protecting and enhancing assets and the Company’s image;
- e) Reducing volatility in various areas of the business;
- f) Developing and supporting people and knowledge base of the organization; Optimizing operational efficiency.

3. LAW

Requirement as per Companies Act, 2013 (‘the Act’): _

Responsibility of the Board: As per Section 134(3) of the Act, the Board of Directors of a Company, as part of the Board’s Report, shall furnish a statement indicating development and implementation of a risk management policy for the Company. Therefore, the Board’s role is to ensure framing, implementing and monitoring risk management plan, having in place, systems for risk management as part of internal controls. The Independent Directors are also to bring an unbiased approach during the Board’s deliberations on making risk management systems very strong and effective.

Responsibility of the Audit Committee: As per Section 177(4) of the Act, the Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include evaluation of internal financial controls and risk management systems.

Requirement as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”):

Regulation 17(9) of the Listing Regulations, requires the Company to lay down procedures about risk assessment and risk minimization.

Regulation 21 of the Listing Regulations, mandates the Risk Management Committee with the following roles & responsibilities:

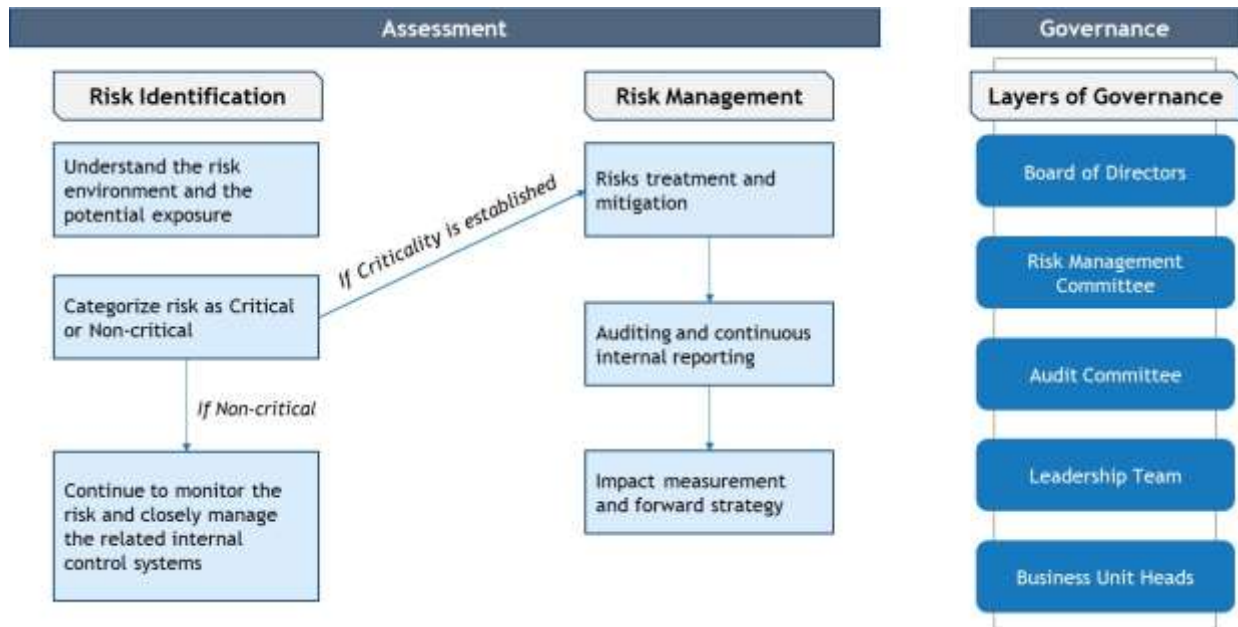
- (1) To formulate a detailed risk management policy which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber 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;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall also 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.

This policy shall complement the other policies of the Company in place e.g. Related Party Transactions Policy, to ensure that the risk if any arising out of Related Party Transactions is being effectively mitigated.

4. RISK MANAGEMENT FRAMEWORK

The Company shall take an integrated approach to risk management, where proactive assessment of risks and threats is at the core of the Company’s strategic agenda. The Company will strive to achieve a balance between the goals of growth and the related risks. The structured risk management framework will help the Company identify and assess the potential risks and effectively monitor the mitigation strategy.



Risk Identification & Mitigation

The Company has identified Internal and External Risk Environment from a broader perspective. In order to assess the impact of specific business risks originating within these environments and adopt a mitigation strategy, the Company will identify and categorize the potential risks as critical or non-critical.

Risk identified as non-critical shall continue to be monitored and the related internal control systems will be managed accordingly.

Risk identified as critical shall be subjected to risk treatment and mitigation. Risk management processes will be integrated with other planning processes and management activities.

The operations of the Company are subject to both external and internal risks that are enumerated below:-

a) External Risk Environment

- Macro-economic
- Industry specific
- Reputation
- Regulation

- Environmental Sustainability

b) Internal Risk Environment

- Financial
- Operational
- Technology, Data and IT

Risk Governance & Reporting

The Board of Directors (“the Board”) will govern the risk management process, ratify the risk management framework, policy and guidelines which are developed, maintained and monitored by the Risk Management Committee. The Risk Management Committee will periodically review and evaluate the risk management system of the Company and report to the Board on the recommended actions.

Risk Management Committee will provide periodic reports to the Board of Directors on the effectiveness of the risk management program in identifying and addressing material business risks. The Committee will ensure that the management and employees are provided with the necessary tools and resources to identify and manage risks.

The Company’s Senior Management and Business Unit Heads will be responsible for designing and implementing the recommendations of the Risk Management Committee and/or the Board. Senior Management will ensure implementation of the action plans to address material business risks across the Company and individual business units.

5. ESG ETHOS IN RISK MANAGEMENT

The Company will strive to not only proactively assess & minimize the impact of risks, but also enable effective resource allocation aligned to our ESG sustainability principles. Strategic corporate decisions will be taken after careful consideration of risks by the Senior Management.

6. BUSINESS CONTINUITY PLAN

The Company will have a well-structured Business continuity plan for the major contingent situations covering key perceivable circumstances such as in the event of a major disruption caused by a fire, pandemic, or an act of god. The Business continuity plan may be reviewed and amended by the Risk Management Committee, if required.

7. REVIEW

This Policy shall be reviewed once in two years to ensure it meets the requirements of legislation and the needs of organization. This Policy can be modified at any time by the Board of Directors of the Company.

Updated on August 7, 2021