

GLOBUS POWER GENERATION LIMITED (“the Company”)

RISK MANAGEMENT POLICY

Background and Context

1. As per Section 134 of the Companies Act 2013, the Board of Directors report must include statements indicating development and implementation of a Risk Management Policy for the Company including identification of elements of risks, if any, which in its opinion may threaten the existence of the Company.
2. In the above context, the Company will also be required amongst other things to frame a Risk Management Policy.
3. The specific objective shall include the following:
 - (i) The Key Managerial Personnel (KMPs) shall annually review and approve the risk management plan and associated frameworks, processes and practices of the Company. Also to review and reassess the adequacy of the plan annually and recommend any proposed changes to the Board for approval.
 - (ii) The KMPs shall ensure that the Company is taking the appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.
 - (iii) The KMPs shall evaluate significant risk exposures of the Company and assess management actions to mitigate the exposures in a timely manner (including one-off initiatives and ongoing activities such as business continuity planning and disaster recovery planning and recovery) and submit regular reports to the Board.
4. The KMPs shall have access to any internal information necessary to fulfill its responsibility. It shall also have the authority to obtain advice and assistance, internal or external, legal, accounting or from other advisors.

Implanting the Risk Management Policy

5. For the purposes of implanting the Risk Management Policy the KMPs will have to adopt the following action plan:
 - (i) The first step will be to ascertain if the Company already has a risk management plan or not. If not, then the KMPs will have to evolve a risk management plan by assessing adequacy and robustness of the various systems which regulate the affairs of the Company.
 - (ii) Align risk management framework with business objectives and strategy.
 - (iii) Identify and refresh the Company's risk universe including existing and emerging risks.

- (iv) Evaluate impact and likelihood of risks and integrate business performance feedback into the analyses.
- (v) Assess adequacy/develop mitigation plans for risks impacting business performance.
- (vi) Use technology to monitor measure performance and link it to planning, reviews, and decision making process as part of business rhythm.
- (vii) Reward and encourage behavior that drives risk management discipline.
- (viii) Enable Board and Audit Committee to independently evaluate the robustness of risk management processes and systems.
- (ix) Prepare a report for Board of Directors detailing elements of risk that can impact business performance.
