



RISK & CONTROL POLICY

Review and approval log:

	Designation	Signature	Date
Process owner (initiator)	Head of Risk & Control		
Reviewed by	Chief Executive Officer		
	Board Audit Committee		
Approved by	Board of Directors		

Amendment control log:

Sr.#	Summary of revision	Date of applicability

Note: Any amendment in this policy shall be subject to the approval of the board.

1. Policy

It is the policy of the Company to establish a Risk Management and Control Framework, based on COSO (Committee of Sponsoring Organizations) Framework Model, to identify, assess, manage, monitor and take necessary measures to mitigate risks.

2. Purpose

The purpose of Risk Management and Control Policy is to provide guidance regarding the identification, management of risks with control measures in order to support the achievement of organization objectives, protect staff and business assets, company reputation and ensure financial sustainability of the company.

3. Scope and Context

Risk Management and Control Policy applies to all Agritech Limited activities. It forms part of Agritech Limited governance framework and applies to all employees.

4. Key Objectives

This objective of the policy is to:

- Implement a strategic, consistent and structured enterprise-wide approach to risk management.
- Effectively manage opportunities and minimize the impact of threats.
- Identify key Risks across various functions of the company.
- Develop internal controls for each risk to ensure the integrity of financial and accounting information, promote accountability and prevent fraud.
- Capacity Building of teams to inculcate culture of Risk Identification and Management with focus on Process Orientation and Controls.

5. Access to the policy

This policy will be available for viewing to any Director or Employee of Agritech Limited. In addition, this policy may be made available to any third party at the discretion of the Agritech Limited Chief Executive Officer.

6. Roles and Responsibilities:

The Board of the Company is responsible for the Company's risk management strategy. Furthermore, the Audit Committee of the Board has an oversight role to determine that risk management processes are adequate and effective internal controls are in place including financial and operational controls. In this regard, the board has approved formation of a separate Risk and Control function for an effective Risk and Control governance structure in the company. The roles and responsibilities of Risk and Control functions are adequately described as part of the Job Descriptions of the Risk and Control function team members.

The Management of the company is responsible for developing the required policies, and Standard Operating Procedures (SOPs) for the smooth functioning of their respective departments or functions' operating tasks and manage the risks in light of the control measures in line with the Risk and Control Matrix/Register provided by the Risk and Control Functions of the company. Identification of new risks

and control measures under the guidance of the Risk and Control function is also required to be carried out by the relevant department.

Below is the breakdown of designated roles & responsibilities.

Board	Provide policy, oversight, and review of risk management and internal controls
Board Audit Committee (BAC)	Oversee regular review of risk management activities and internal controls effectiveness
Chief Executive Officer	Derive culture of risk management and sign-off on annual risk and internal controls attestation
Head of Risk & Controls	Continuously improving risk management and control policy, strategy and supporting framework and foster a culture where risks can be identified in coordination with the relevant departments, and the inclusion of newer risks and control measures to mitigate the risks in the overall risk register.
Head of Departments (HODs)	Ensure staff in their business units comply with the risk management and control policy and Coordinate among various intra-departmental risks and cooperative approach to be adopted for effective risk management and control measures
Employees	Comply with risk management and control policy. Undertake daily tasks with conscious focus on control measures of the identified risks.

7. FRAMEWORK

All risk assessments must include the identification of overall business objectives and shall be done at following levels. Organizational Level

- a) Business Division Level
- b) Process and/or activity Level

The results of the risk assessment will be used to determine the immediate actions required to mitigate high risks including frequency of audits throughout the organization and for resource planning or efficient allocation of organization resources.

Continuous monitoring and updating of risk assessment shall be performed on semiannual basis.

Following sources at-least may be considered for identification of risk:

- a) Risk Universe
- b) Field work of the Risk & Control Team
- c) Process owner's assessment
- d) Engagement and brainstorming sessions of R&C team with Functional teams

Risk Evaluation

Risk shall be evaluated or ranked as Extreme, High, Moderate, Low and Insignificant.

8. Risk Register

The Company's Risk & Control policy is governed through the Risk Register and Risk & Control Function to ensure to develop, maintain and update the Risk Register at all the times in consultation with the process owners. Extracts for each department and functions Risks and Control measures must be shared with the relevant department head for their onward risk management in their respective areas.

9. Addressing Risk / Control Measures

Addressing risk shall involve identifying the options for controlling the risk, evaluating the options, developing, and implementing the plan. While addressing risk, management shall consider the cost-benefit analysis if proposed control measure for a risk is justified.

10. Assessment of Effectiveness

HODs shall assess the effectiveness of their risk management plan through structured continuous improvement processes to ensure risks and controls are constantly monitored and reviewed in their respective departments. This includes ongoing feedback loop via regular functions wise team meetings, while developing plans & budgets for the respective functions and in the intra department coordination of the tasks.

11. Monitoring and Review

Risk and Control function shall ensure that the Board Audit Committee (BAC) is adequately informed of significant risk management issues and the actions undertaken to manage risks on a regular basis. The function shall consult/ conduct regular evaluation sessions with relevant HODs to identify and add newer risks to the risk register. Any changes in the mitigation strategies shall be recommended by Risk head and updated risk register shall be presented to the BAC who after review shall brief BOD on the same.

12. Authority

The Risk & Control department shall be authorized to, subject to any legal restrictions flowing from any contract or under any law, within the scope of its responsibilities, to:

- a) Have discussions with process owners, line managers, HODs and CEO of the company and obtain necessary information and documentation by raising a formal request with specific details of the information required and ensure strict and absolute accountability for safekeeping and confidentiality of information obtained;
- b) Specific sensitive and highly confidential matters shall, however, be handled by the head of Risk and Control Department or his/her appointed nominee.
- c) Obtain external legal or other professional advice if needed after seeking necessary authorization from CEO / Chairman BAC.