

INTEGRATED CAPITAL SERVICES LIMITED

(CIN: L74899DL1993PLC051981)

RISK MANAGEMENT POLICY

1. **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.

This Policy has been framed Integrated Capital Services Limited (ICSL) as per requirements of Regulation 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. **Objective of the Policy:**

The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in identifying, 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.

3. **Constitution of Risk Management Committee:**

- (i) The board of directors of ICSL shall constitute a Risk Management Committee.
- (ii) The Risk Management Committee shall have minimum three members with majority of them being members of the board of directors of ICSL, including at least one independent director and in case of ICSL having outstanding SR equity shares, at least two thirds of the Risk Management Committee shall comprise independent directors of ICSL.
- (iii) The Chairperson of the Risk Management Committee shall be a member of the board of directors of ICSL and senior executives of ICSL may be members of the Risk Management Committee
- (iv) The risk management committee shall meet at least [twice] in a year.
- (v) The quorum for a meeting of 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 member of the board of directors in attendance.

4. Principles of Risk Management:

- a) All business decisions will be made with prior information and acceptance of risk involved.
- b) The Risk Management Policy shall provide for the enhancement and protection of business value from uncertainties and consequent losses.
- c) All employees of ICSL shall be made aware of risks in their respective domains and their mitigation measures.
- d) The risk mitigation measures adopted by ICSL shall be effective in the long-term and to the extent possible be embedded in the business processes of ICSL
- e) Risk tolerance levels will be regularly reviewed and decided upon depending on the change in ICSL's business strategy.
- f) The occurrence, progress and status of all risks will be promptly reported and appropriate actions shall be taken thereof.

5. Risk Management Policy Statement:

- a) To ensure protection of shareholder value through the establishment of an integrated Risk Management Framework for identifying, reporting, assessing, mitigating and monitoring, of all risks.
- b) To provide clear and strong basis for informed decision making at all levels of the organization.
- c) To continually strive towards strengthening the Risk Management System through continuous learning and improvement.

6. Scope:

The Risk Management Policy has been devised in the context of the future growth objectives, business profile envisaged and new business endeavors including services that may be necessary to achieve these goals and the emerging global standards and best practices amongst comparable organizations. This policy is meant to ensure continuity of business and protection of interests of the investors.

The ICSL Risk Management Policy and Risk Management Framework have been developed to include the following key categories:

- a) Customer Services
- b) Financial Sensitivity
- c) Business processes and Systems

- d) Strategy Development
- e) Corporate Governance and Compliance

7. Role of the Committee:

The Board of Directors of ICSL (Board) will undertake the following actions to ensure that risk is managed appropriately.

The terms of reference, roles and responsibilities of the Risk management Committee shall include:

- a) to recommend to the Board and then formally announce, implement and maintain a sound system of risk identification oversight, management and internal control.
- b) to detail the functions and processes which are considered necessary to ensure that the Board can be satisfied that ICSL's risks are being effectively managed.
- c) To examine and determine the sufficiency of ICSL's internal processes for identifying, reporting and managing key risk areas.
- d) To consider other matters relating to risk management that it considers desirable. In addition, the Risk Management Committee will examine any other matters referred to it by the Board.

The Board will periodically review such updates and findings and suggest areas where control and risk management practices can be improved.

8. 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 business of the company.

9. Review:

The Board and the Audit Committee of ICSL shall periodically review and evaluate the risk management system of ICSL so that ICSL's management controls the risks through its risk management framework.

The Board may amend this Policy as and when deemed fit. Any or all provisions of this Policy are subject to revision/ amendment in accordance with the rules, regulations, notifications, circulars etc. on the subject as may be issued by relevant statutory authorities from time to time. In case of any amendment(s), clarification(s), notification(s), circular(s) etc. issued by the relevant authorities found inconsistent with the provisions of this Policy, then such amendment(s), clarification(s), notification(s), circular(s) etc shall prevail upon the provisions

of this Policy and this Policy shall stand amended accordingly from the effective date stated in such amendment(s), clarification(s), notification(s), circular(s) etc.