

Nxtra Data Limited

RISK MANAGEMENT POLICY

INTRODUCTION

The Company is prone to inherent business risks. The Company understands that 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

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

APPLICATION & SCOPE

This policy applies to all areas of the Company's operations and inter-alia includes Customer Service, Human Resources, Reputation and Brand, Financial, Business Processes and Systems, Strategy, Corporate Governance and Compliance, Information and Security.

GUIDELINES FOR RISK MANAGEMENT

- Risks faced by the Company shall be managed on an enterprise-wide basis.
- Risk management will be embedded into the company's critical business activities, functions and processes.
- Risks issues will be identified, analysed and ranked in a consistent manner. Common systems and methodologies will be used.
- Risk controls will be designed and implemented to reasonably assure the achievement of Company's corporate objective. The effectiveness of these controls will be systematically reviewed and, wherever necessary, improved.

RESPOND TO RISKS

There shall be response to risks by developing options and determining actions in consultation with Heads of various functions. The Risks shall be prioritized by employing the below mentioned response strategies.

- 1 **Avoid.** Risk can be avoided by removing the cause of the risk or execution in a different way while still aiming to achieve objectives.
- 2 **Transfer.** Transferring risk involves finding another party who is willing to take responsibility for its management, and who will bear the liability of the risk, should it occur.
- 3 **Mitigate.** Risk mitigation reduces the probability and/or impact of an adverse risk event to an acceptable threshold.
- 4 **Acceptance.** This strategy is adopted when it is not possible or practical to respond to the risk by the other strategies, or a response is not warranted by the importance of the risk. When it is decided to accept the risk, it is to be addressed as and when it occurs.

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REVIEW OF RISK MANAGEMENT SYSTEM

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.

POLICY REVIEW

The Board and the Audit Committee is responsible for reviewing and approving the Risk Management Policy at least annually to ensure its effectiveness, continued application and relevance to the Company's business.