MANIPAL PAYMENT AND IDENTITY SOLUTIONS LIMITED

# RISK MANAGEMENT POLICY

## VERSION CONTROL

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## 1. LEGAL FRAMEWORK

Risk Management is a key aspect of Corporate Governance Principles and Code of Conduct which aims to improvise the governance practices across the business activities of any organisation. The Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") have also incorporated various provisions in relation to Risk Management policy, procedure and practices.

The provisions of Section 134(3)(n) of the Companies Act, 2013 necessitate that the Board's Report should contain 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 existence of the Company. Further, the provisions of Section 177(4) of the Companies Act, 2013 require that every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall inter alia include evaluation of risk management systems.

Regulation 17(9) of SEBI Listing Regulations provides that the listed entity shall lay down procedures to inform members of Board of Directors about risk assessment and minimization procedures and the Board of Directors shall be responsible for framing, implementing and monitoring the risk management plan 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, environment, social and governance related risks), information, cyber security risks, legal and regulatory 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; and

(c) Business continuity plan.

Regulation 21(4) of the SEBI Listing Regulations states that Board of Directors shall define the role and responsibility of the Risk Management Committee and may delegate monitoring and reviewing of the risk management plan to the Committee and such other functions as it may deem fit.

In line with the above requirements, it is required for the Company to frame and adopt the Risk Management Policy (the "Policy").

## 2. EFFECTIVE DATE

The Policy shall come into force with effect from 23rd June, 2025.

## 3. OBJECTIVES AND SCOPE

This Policy sets out the detailed requirements and minimum standard for implementing an effective risk management across the business. This Policy facilitates management of risks

associated with Company's activities and minimize the impact of undesired and unexpected events. Taking and managing appropriate levels of risk is an integral part of all our business activities. Risk Management, performed rigorously and comprehensively, creates stability, indirectly contributes to profit and is a key element of reputation management.

## 4. DEFINITIONS

**"Risk"** means chance of something happening that will have a negative impact on the achievement of the Organisation's objectives. Risk is measured in terms of consequences and likelihood.

**"Risk Assessment"** means the systematic process of identifying and analysing risks, which shall cover Risk Identification and Categorization, Risk Description and Risk Estimation.

**"Risk Management"** means the process of systematically identifying, quantifying, and managing all risks and opportunities that can affect achievement of a Company's strategic and financial goals.

## 5. CONSTITUTION OF RISK MANAGEMENT COMMITTEE

The Board has constituted the "Risk Management Committee" in line with the requirements of the Listing Regulations. This Policy and the terms of reference of Risk Management Committee are integral to the functioning of the Risk Management Committee and are to be read together. The Board has authority to reconstitute the Risk Management Committee from time to time as it deems appropriate.

## 6. PHILOSOPHY & APPROACH TO RISK MANAGEMENT

Risk Management is the process of identification, analysing, and acceptance or mitigation of uncertainty to an organization's operations. Risk Management is integral to the Company's strategy and to the achievement of the Company's long-term goals. Our success as an organization depends on our ability to identify and leverage the opportunities created by our business and the markets, we operate in. In doing this the Company takes an embedded approach to Risk Management which puts risk and opportunity assessment at the core of the Board's agenda. The Company defines risks as actions or events that have the potential to impact our ability to achieve our objectives. The Company identifies and mitigates downside risks such as loss of money, reputation or talent as well as upside risks such as failure to deliver strategy, if it does not strengthen brand equities or grow in growing channels. The Company's Risk Management approach is embedded in the normal course of business.

## 7. RISK MANAGEMENT

All Managers and above must implement the principles of Risk Management as follows:

(a) Accountability: Identify and manage the risks that relate to their role;

(b) Risk Appetite: Determine the level of risk, after the implementation of controls, that they are prepared to accept such that there is no significant threat to achieving their objectives; and

(c) Risk Mitigation: Put adequate controls in place, and ensure that they are operational, in order to deliver their objectives.

All Business & Functional Heads must ensure that the risk management activities are being undertaken in their areas of responsibility. All leadership teams must complete an annual holistic risk discussion during which:

(i) Key business risks for which they are responsible are identified;

(ii) How those risks are being managed is reviewed;

(iii) Framing of Business Continuity Plans (BCP) to enable rapid response to address the consequence of such risks when they materialize, aligned with the internal controls and crisis management framework for products, systems and processes etc; and

(iv) Any gaps in their desired risk appetite are identified.

For those risks where significant gaps have been identified, leadership teams must perform regular reviews and ensure risks are mitigated as desired. All project leaders of transformational projects must, together with their teams, identify the key risks associated with their project achieving its objectives. Risk mitigation plans must be prepared and progress reviewed with the project steering group.

## 8. COMMUNICATION

This Policy shall therefore be published by the Company on the website of the Company for wider dissemination.

## 9. RETENTION OF DOCUMENTS

All important documents generated in the process of administration of this Policy shall be retained by the Company for a period of 8 (eight) years or such other period as specified by any other applicable law in force, whichever is more.

## 10. ADMINISTRATION OF THE POLICY

### (a) Board of Directors:

The Board shall be responsible for framing, implementing and monitoring the risk management plan for the Company. The Board shall on recommendation of the Risk Management Committee adopt the Risk Management Policy and critically review the risk governance and monitoring mechanism.

The Board shall meet at least once in a year to review the top risks faced by the Company and the status of their mitigation plan

**(b) Audit Committee:**

The Audit Committee shall meet at least once in a year to oversee the risk management and internal control arrangements and shall also evaluate internal financial controls and risk management systems of the Company.

**(c) Risk Management Committee:**

Risk Management Committee shall assist the Board in framing policy, guiding implementation, monitoring, and reviewing the effectiveness of Risk Management Policy and practices. The Committee shall act as a forum to discuss and manage key strategic and business risks.

## 11. REVIEW AND AMENDMENT

This Policy is framed based on the provisions of the Listing Regulations. In case of any subsequent changes in the provisions of Listing Regulations or any other applicable law which make the provisions in this Policy inconsistent with the Listing Regulations or any other applicable law, the provisions of the Listing Regulations and such law shall prevail over this Policy and the provisions in this Policy shall be modified in due course to make it consistent with the law.

This Policy shall be reviewed once a year by the Risk Management Committee. Any changes or modifications to this Policy shall be recommended by the Committee and be placed before the Board of Directors for approval.

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