

## **RISK MANAGEMENT POLICY**

### **BACKGROUND**

This document lays down the framework of Risk Management at GALAXY AGRICO EXPORTS LIMITED (hereinafter referred to as the 'Company') and defines the policy for the same. This document shall be under the authority of the Board of Directors of the Company. It seeks to identify risks inherent in any business operations of the Company and lays down the mitigation methods which are periodically reviewed and modified in a manner commensurate with the size and complexity of the business.

### **OBJECTIVE**

The objective of Risk Management task at Berger Paints India Limited is to preserve shareholder value to the extent practically feasible by identifying and mitigating major operating, and external business risk. An enterprise-wide risk management framework is applied in a manner such that the effective management of risks at different levels and different functions is an integral part of every employee's job.

### **REGULATORY**

Risk Management Policy is framed as per the following regulatory requirements:

Companies Act, 2013: As per provision of the Section 134(3) , 177 (4 ) of the Companies act, it is required to frame a Risk Management Policy

### **RISK MANAGEMENT**

- A. The Company shall lay down procedures to inform Board members about the risk assessment and minimization procedures.
- B. The Board shall be responsible for framing, implementing and monitoring the risk Management policy for the company.
- C. The Board shall define the roles and responsibilities of the Business Process and Risk Management and Audit Committees and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit.

### **APPLICABILITY**

This Policy shall come into force for the year 2014-15

### **POLICY**

The Board has to review the business plan at regular intervals and develop the Risk Management Policy which shall encompass laying down guiding principles on proactive planning for identifying, analyzing

and mitigating all the material risks, both external and internal. We have sought to classify the types of risk as external business and operational.

Communication of Risk Management Strategy to various levels of management for effective implementation is essential.

Risk Identification is obligatory on all vertical and functional heads who with the inputs from their team members are required to report the material risks to the Business Process and Risk Management Committee along with their considered views and recommendations for risk mitigation.

Analysis of all the risks thus identified shall be carried out by an empowered management committee under the leadership of the MD (MD, CFO, Company Secretary and Chief Internal Auditor) through participation of the vertical/functional heads and a preliminary report thus finalized shall be placed before the Business Process and Risk Management Committee.

#### **ROLE OF BUSINESS PROCESS AND RISK MANAGEMENT COMMITTEE**

The role of the Business Process and Risk Management Committee shall include the evaluation of risk management systems, the examination of the risk matrix, assessing the mitigation measures and suggesting improvements and greater risk mitigation measures, and examination in detail the business processes which may carry risks. The minutes shall be placed before all directors including members of the Audit Committee, who will evaluate the same and take action, if required.

#### **REVIEW**

This policy shall evolve by review by the Business Process and Risk Management Committee and the Board from time to time as may be necessary. This policy shall also be reviewed by the Audit Committee.

#### **COMMUNICATION**

This Policy will be communicated to all vertical/functional heads and other concerned persons of the Company.