RISK MANAGEMENT POLICY

Background

Section 134(3) of the Companies Act, 2013 requires a statement to be included in the report of the board of directors ("Board") of NINtec Systems Limited ("NSL" or the "Company"), 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.

Furthermore, Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), requires that the Company set out procedures to inform the Board of risk assessment and minimization procedures and makes the Board responsible for framing, implementing and monitoring the risk management plan of the Company.

Objective and Purpose

In line with the Company's objective towards increasing stakeholder value, a risk management policy has been framed, which attempts to identify the key events/risks impacting the business objectives of the Company and attempts to develop risk policies and strategies to ensure timely evaluation, reporting and monitoring of key business risks.

Key risks:

- Strategic risks arising out of adverse business decisions and lack of responsiveness to changes;
- Operational risks;
- Financial and reporting risks;
- Compliance risks;
- Enterprise risk management

DEFINITIONS:

1. **Risk:**
   Risks are events or conditions that may occur, and whose occurrence, if it does take place, has a harmful or negative impact on the achievement of the organization's business objectives. The exposure to the consequences of uncertainty constitutes a risk.

2. **Risk Management**
   Risk management Process can be defined as the identification, assessment, and prioritization of risks followed by the coordinated and economical application of

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resources to minimize, monitor, and control the probability and/or impact of unfortunate events or to maximize the realization of opportunities.

Policy

Our risk management approach is composed primarily of three components:

- Risk Governance
- Risk Identification
- Risk Assessment and Control

Risk Governance:

- The functional heads of the Company are responsible for managing risk on various parameters and ensure implementation of appropriate risk mitigation measures.

Risk Identification:

- External and internal risk factors that must be managed are identified in the context of business objectives.

Risk Assessment and Control:

This comprises the following:

- Risk assessment and reporting
- Risk control
- Capability development

On a periodic basis risk, external and internal risk factors are assessed by responsible managers across the organization. Internal control is exercised through policies and systems to ensure timely availability of information that facilitate pro-active risk management. Examples of certain of these identified risks are as follows:

- Broad market trends and other factors beyond the Company's control significantly reducing demand for its services and harming its business, financial condition and results of operations;
- Failure in implementing its current and future strategic plans;
- Significant and rapid technological change;
- Damage to its reputation;
- Its risk management methods and insurance policies not being effective or adequate;
- Changes in government policies;
- Security risks and cyber-attacks;
- Insufficient systems capacity and system failures.

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