JAIN FARM FRESH FOODS LIMITED

RISK MANAGEMENT POLICY

1. INTRODUCTION

1.1. Definitions

"**Articles**", or "**Articles of Association**" means the articles of association of the Company, as amended from time to time.

"**Act**" means the Companies Act, 2013 read with the Rules, clarifications, circulars and orders issued thereunder from time to time including any modification or re-enactment thereof.

"**Board**" means the Board of Directors of the Company.

"**Company**" means Jain Farm Fresh Foods Limited.

"**Constitution Documents**" means the Articles, the Memorandum of Association and the shareholders agreement executed between Mandala Primrose Co-Investment Limited, the Company and the promoters of the Company.

"**Corporate Risk Management Co-ordinator**" or "**CRMCO**" shall mean the person appointed by the Board as such.

"**Investor**" means Mandala Primrose Co-Investment Limited, having its address at Sanne House, Bank Street, Twenty-Eight, Cyber City, Ebene 72201, Mauritius.

"**Mitigation Plan Owners**" means person(s) appointed by the Board as such in accordance with the Constitution Documents.

"**Risk Owners**" means person(s) appointed by the Board as such in accordance with the Constitution Documents.

"**Rules**" means the rules framed under the Act.

1.2. *Overview*

In recent years all sectors of the economy have focused on management of risk as the key to making organizations successful in delivering their objectives whilst protecting the interests of their stakeholders. Risk may be defined as an event, action or inaction the outcome of which is uncertain and may have a bearing on the achievement of its desired goals and objectives.

Risk management is a holistic, integrated, structured and disciplined approach to managing risks with the objective of maximizing shareholder's value. It aligns strategy, processes, people & culture, technology and governance with the purpose of evaluating and managing the uncertainties faced by the organization while creating value. Effective risk management allows an organization to:

1. have increased confidence in achieving its desired goals and objectives;
2. effectively constrain threats to acceptable levels;
3. take informed decisions about exploiting opportunities; and

Never before has effective management of business risk been so critical to achieve positive results and to enhance corporate reputation, as it is today. It has been seen that although significant risks are often known in some parts of the company, those risks may not have come to the attention of the right people at the right time.

Jain Farm Fresh Foods Ltd (JFFFL) realizes the need to better understand, anticipate and mitigate business risks in order to minimize the frequency and impact of risks. As the Company contends with the new responsibility for risk management, it is looking for greater assurance that there is a system in place, with well-documented, effective mitigation plans and accountability, which provides relevant information for decision making to the appropriate people in a timely manner.

A robust risk management framework has therefore been developed which is benchmarked with the leading global risk management standards and guidance available. In doing so the focus has been to have a framework that is simple and practical, which:

1. Allows a clear and concise view of risks;
2. Prioritize risks that matter ('RTM');
3. Put in place appropriate mitigation plans to manage the RTMs

This Framework will continue to evolve and mature as risk management is implemented in the Organization and experience is gained. It is expected to be reviewed and amended on a regular basis to ensure its ongoing relevance and viability.

Risk Management is everyone's responsibility and needs to form part of every decision making and monitoring process at JFFFL. The Risk Management Policy thus aims at outlining the framework adopted by JFFFL to assess and mitigate the impact of risks and report to the top management and the Board of Directors on the risk assessment and minimization procedures.

Notwithstanding anything contained in this Policy: (a) the provisions of this Policy and all the actions specified in this Policy, shall at all times be subject to the provisions of the Constitution Documents and the rights of the Investor under the Constitution Documents; (b) Nothing contained in this policy shall be deemed to be a consent/approval/no-objection/affirmative vote/grant/permission etc of the Investor for any matter and/or item, for which the Investor's consent/approval/no-objection/affirmative vote/grant/permission etc, is required as per any of the Constitution Documents; (c) in the event of any conflict and/or contradiction between the provisions of this Policy and the provisions of the Constitution documents, the provisions of the Constitution Documents shall prevail; (d) if any action is taken by any person as per or pursuant to this Policy, which is in violation, breach, non-compliance and/or conflicting with the provisions of the Constitution Documents, then such action shall be void ab initio; (e) the provisions and/or terms and conditions of this Policy, does not amend, modify and/or supersede the provisions of the Constitution Documents; and (f) the provisions of this Policy does not constitute a waiver and/or release of any claims of any person, for any prior or subsequent breach and/or non-compliance of any of the Constitution Documents.

1.3. *Guiding Principles for the Risk Management Framework*

The company's attitude to risk is based on the following key ***principles***:

1 ***Shareholder value based:*** Risk management will be focused on sustaining the creation of shareholder value and protecting the same against erosion.

2 ***Embedded:*** Risk management will be embedded in existing business processes to facilitate management of risks across processes on an ongoing basis.

3 ***Supported and Assured:*** Risk management will provide support in establishing appropriate processes to ensure that current risks are being managed appropriately and assurance is provided to the relevant stakeholders over the effectiveness of these processes.

4 ***Reviewed:*** The effectiveness of the risk management program will be reviewed on a regular basis to ensure its relevancy in a dynamic and changing business environment.

1.4. *The Risk Management Framework*

An effective risk management framework requires consistent processes for assessment, mitigation, monitoring and communication of risk issues across the organization. Essential to this process is its alignment with corporate direction and objectives, specifically strategic planning and annual business planning processes.

Risk management is a continuous and evolving process, which has to integrate with the culture of the organization over time. It would then get embedded in the strategy for attaining tactical and operational objectives such that each manager and employee in the system is assigned responsibility for management of risk as a part of their job description. It would then support accountability, performance measurement and reward, and thus promote overall efficiency at all levels.

The framework will help in creating an environment in which risk management is consistently practiced across the Company and where Management can take informed decisions to reduce the possibility of surprises.

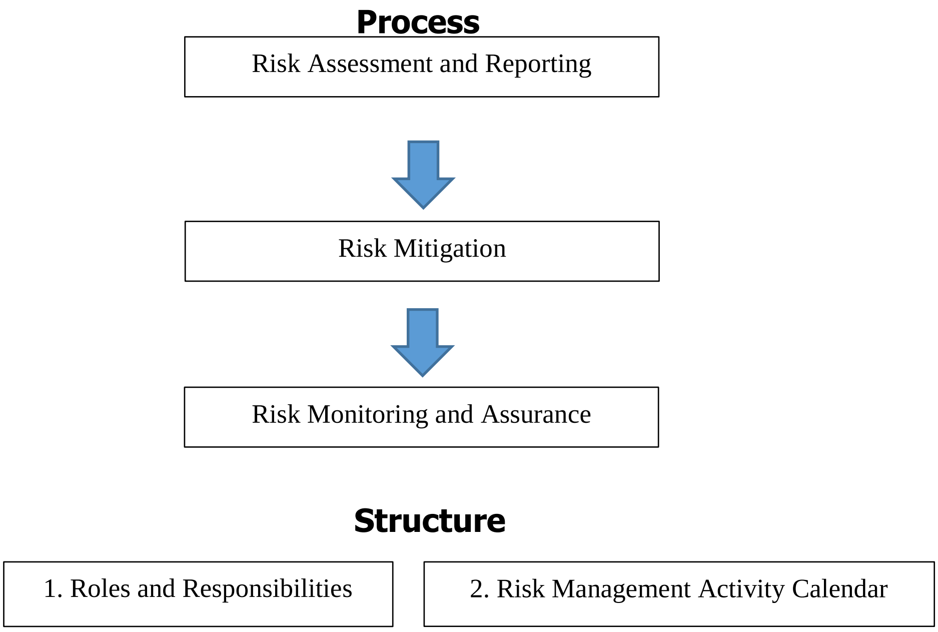
The objective of the Risk Management Framework is to formalize and communicate JFFFL's approach to the management of risk. It will have the following attributes:

1. Responds to the executive management's need for enhanced risk information and improved governance;
2. Provides the ability to prioritize, manage and monitor the increasingly complex risks in the business;
3. Provides an explicit, comprehensive process to satisfy the regulators, and other stakeholders, that significant risks are being effectively managed.

An effective Risk Management Framework comprises of:

1. Risk management process; and
2. Risk management structure.

Risk Management Framework



Risk Management Process

An effective risk management process consists of 3 broad level steps:

1. Risk Assessment and Reporting;

2. Risk Mitigation; and

3. Risk Monitoring and Assurance

1.5. *The Risk Management Approach at JFFFL.*

The Risks are controlled through business decisions and operations at JFFFL. These are in turn driven by the business units and the centralized functions. JFFFL follows both a top down and bottoms up approach for identifying and managing risks.

1.6. *The Risk Management Organization at JFFFL*

At the corporate level, the Board members and designated Senior Management would take active responsibility for implementation and review of the Risk Management initiative at JFFFL.

2. RISK MANAGEMENT PROCESS

Effective risk management process requires consistent assessment, mitigation, monitoring and reporting of risk issues across the full breadth of the enterprise. Essential to this process is a well-defined methodology for determining corporate direction and objectives.

The risk management process consists of 3 steps:

1 Risk Assessment and Reporting;
2 Risk Mitigation; and
3 Risk Monitoring and Assurance.

2.1. *Risk Assessment and Reporting*

Risk assessment is defined as the process of identification, prioritization and analysis of risks. An effective risk assessment requires a common risk language and a continuous process for identifying and measuring risks. These elements need to be applied consistently across the organization to understand the nature of the prioritized risks and their impact on business objectives, strategies and performance.

Risk assessment is an on-going systematic process to be carried out at periodic intervals. It consists of the following activities:

1 Risk identification;
2 Risk prioritization based on standard rating criteria
3 Risk Reporting

2.1.1. Risk identification

In order to manage risks an organization needs to know what risks it faces. Risk identification captures the significant risks that may have an adverse impact on the organization’s objectives and is the first step in building the organization’s risk profile. In this regard, the focus would be on strategic, operational, compliance, financial and project risks that may have an impact on the ability of JFFFL to achieve its objectives. In stating risks, care should be taken:

1 to avoid stating impacts which may arise as being the risks themselves; and
2 to avoid stating risks which do not have an impact on the objectives.

Equal care should be taken to avoid defining risks with statements, which are simply the converse of the objectives. A statement of a risk should encompass the cause of the impact, and the impact to the objective, which might arise.

Approach for implementation

Risk identification will be done by involving personnel at the senior and middle management level of all key functions at JFFFL, to achieve a holistic view of risks. The entire activity of risk identification will be managed by the Board of Directors and Senior level of Management.

2.1.2. Risk Prioritization

Risk prioritization will be done by involving personnel at the senior and middle management level of all key functions, to get an overall view of the criticality of the risk as well as the effectiveness of the existing plans to mitigate the risk. The entire activity of risk prioritization will be managed by the Board of Directors of the Company.

2.1.3. Enablers

a. ***Risk classification framework***

In order to promote a common risk language, improved understanding of risks, and the ability to consolidate risk information across the Company, a risk classification framework has been developed, consisting of risk categories and sub categories.

The risk classification framework will continue to be updated with the specific categories and sub categories identified through various risk assessments and inputs received.

b. ***Risk event listing***

All the risk events identified through one time risk assessment process and emerging list log will be collated to form the risk event listing for each function. All risk events identified through the above processes will be tagged to the risk categories and sub categories of the Risk Universe. The risk event listing will lay the foundation towards development of risk profile and will be used for developing the risk surveys.

2.2 isk Mitigation

Risk mitigation is the process to initiate responsive action for managing the critical risks and restricts them at a tolerable level. The entire process is broken down into the following activities:

i. Root cause analysis to identify the reasons/drivers for existence of the risk;
ii. Development of broad level mitigation plan with proper ownership and implementation timelines;
iii. Development of detailed action steps for implementation of the mitigation plans; and
iv. Identification of risk indicators, where possible, to monitor the effect of the risk.

There are two categories of responsive actions that will be selected based on the criticality of the risk and effectiveness of the existing mitigation plans:

i. For the critical risks that are managed effectively, the existing mitigation plans/controls will be documented with ownership and monitored on a continuous basis; and
ii. For the critical risks that are not managed effectively, new mitigation plans will be developed to manage the risk and monitored on a continuous basis.

2.3 Risk Monitoring and Assurance

The risk monitoring and assurance process provides the assurance that there are appropriate controls in place for the risk management activities and that the procedures are understood and followed. Effective risk management requires a monitoring structure to ensure that the risk are effectively identified and assessed and the appropriate mitigation plans are in place.

A monitoring and assurance process will help to determine:

i. The adopted measures results in what was intended;
ii. The procedures adopted and information gathered for undertaking the assessment were appropriate; and
iii. Improved knowledge would help in reaching better decisions and identify what lessons should be learnt to improve future assessment and management of risks.

Approach Implementation in JFFFL

Monitoring

The Board of Directors of the Company will be responsible for monitoring the self-assessment at regular intervals. The mitigation owners will provide status on implementation of the new mitigation plans and self-assessment on the effectiveness of the implemented mitigation plans.

The risk management coordinators will collate all the status reports and the self-assessment reports to form the summary report delineating the following information:

- Mitigation plan(s);
- Effectiveness (what is result);
- Status on the implementation; and
- Reason(s) for non-implementation (if applicable).

The risk management coordinators will submit a detailed report, for corporate and each function to the Board of Directors;

Assurance

Simultaneously there will be an assurance review to be carried out by the Internal Audit function to review the risk management processes and verify the efficacy of the self-assessment provided by the mitigation plan owners.

3. RISK MANAGEMENT STRUCTURE

The Risk Management Structure at JFFFL will comprise of the following:

A. Board of Directors (BoD);
B. Corporate Risk Management Coordinator ('CRMCO')
C. Risk Owners
D. Mitigation Plan Owners

Corporate Risk Management Co-Ordinator

The Corporate Risk Management Co-Ordinator shall have the following responsibilities:

- Manage all claims and investigate incidents, analyzing viability and risk and providing solutions to minimize exposure.

- Assist the Company's legal counsel and act as a representative of the Company during litigation.

- Conduct safety training programs and inspections to ensure staff and customers abide policies and standards.

- Recommend updates the risk management policies and safety standards to the Board, and implement such policies and standards.

Risk Owners

The Risk Owner(s) falling in the middle of the risk management cycle (after developing risk appetite and tolerance and identifying, but before assessing and analyzing risks). The Company shall designated person(s) to be responsible for particular risks, who shall be responsible for the day to day management of the risk. The Risk Owners shall co-ordinate with the Board for their responsibilities, which may be revised from time to time basis any updates to this policy, or development of other risk that may impact the Company.

The Risk Owners shall ensure that the Company is accountable for the risk(s) and that a response plan is developed and acted upon in a timely manner.

Mitigation Plan Owners

The Mitigation Plan Owners shall be responsible for the following:

- Acknowledge the existence of a particular risk, and make a deliberate decision to accept it without engaging in special efforts to control it.
- Adjust process requirements or constraints to eliminate or reduce the risk.
- Implement actions to minimize the impact or likelihood of the risk.
- Reassign organizational accountability, responsibility, and authority to the Risk Owners.
- Monitor the environment for changes that affect the nature and/or the impact of the risk.

The Mitigation Plan Owners shall meet at least once every two months, and such meetings shall be attended by the Risk Owners, if required, and the chairman shall be the Corporate Risk Management Co-ordinator. The Corporate Risk Management Co-ordinator and at least one member of the Mitigation Plan Owner(s) shall be present to constitute quorum at such meetings. Decisions shall be passed by a simple majority of for those persons present and voting. The Corporate Risk Management Co-ordinator shall have a veto power, and a casting vote in case of deadlocks. The Corporate Risk Management Co-ordinator may refer any key decisions or concerns to the Board as it sees fit.

4. COMMENCEMENT

This Risk Management Policy shall supersede all previous risk management policies (whether oral or written), if any, and the Risk Management Policy shall come into effect on such date as approved by the Board on 7th June, 2024.