

RISK MANAGEMENT POLICY

1. PREAMBLE

Bangalore Fort Farms Limited (“**Company**”) has developed a risk management framework wherein, key risks have been identified, measurement criteria of the key risks indicators defined and mitigation plans detailed. The Board has approved the risk management framework. The codified Risk Management Policy (“**Policy**”) is now being enunciated.

2. LEGAL FRAMEWORK OF THE POLICY

a) The Companies Act, 2013 (“**Companies Act**”) lays down the following:

- i) As per Section 134 of the Companies Act, the report of the board of directors of a listed company must include a statement indicating the development and implementation of a risk management policy for the company including the identification of elements of risk, if any, which in the opinion of the board of directors of the company, may threaten the existence of the company;
- ii) The audit committee of a listed company shall act in accordance with the terms of reference specified in writing by the board of directors of the company, which shall, inter-alia, include the evaluation of risk management systems as per Section 177 of the Companies Act;
- iii) Further, the independent directors of a company, should satisfy themselves that systems of risk management are robust and defensible as per Schedule IV of the Companies Act.

b) It has therefore become mandatory for the companies such as the Company, to prepare a comprehensive framework of risk management for the assessment of risks and to determine the responses to these risks, such that the board of director of the Company (“**Board**”) feels, may threaten the existence of the Company.

3. OBJECTIVES OF THE POLICY

a) The risk and safety management system adopted by the Company will enable the Company to identify problem areas with respect to regulations, competition, business risk, development risks, investments, acquisition and retention of talent, health & safety. Business risk, inter- alia, further includes financial risk, political risk, fidelity risk, legal risk, employee, guest, asset safety and safety of community and to establish a prevention system to safeguard the future.

- b) The Board determines the Company's tolerance for risk and is committed to a risk management system that balances the need to preserve long term values, prudently manages the hotel properties, maintain good relationships with partners and joint ventures, and facilitates a culture of innovation.

4. CONSTITUTION OF RISK MANAGEMENT COMMITTEE

- a) The Board has appointed a risk management committee ("Committee") comprising of directors and key senior executives of the Company. The Committee:
 - i) identifies new risks facing the Company and reviews existing risks for continuity and relevance;
 - ii) identifies key risk owners who will be responsible for managing individual risks;
 - iii) recommends key risk indicators ("KRI(s)") and measurement criteria;
 - iv) recommends mitigation plans as identified by individual key risk owners; and
 - v) the status of each risk along with mitigation plans is presented to the Board.

5. APPLICABILITY

This Policy is applicable to all the businesses of the Company.

6. AMENDMENT

The Board and the Committee may review, amend, abrogate, modify or revise any or all provisions of this Policy from time to time. However, amendments in the Companies Act or in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, that mandatorily apply to the Company shall be deemed to be incorporated in this Policy and shall be binding.

- 7. **DISCLAIMER CLAUSE** The Company cautions the readers that the risks outlined above are not exhaustive and are for information purposes only. The Company is not an expert in assessment of risk factors, risk mitigation measures and management's perception of risks. The readers are therefore requested to exercise their own judgment in assessing various risks associated with the Company.