SPACENET ENTERPRISES INDIA LIMITED

RISK MANAGEMENT POLICY

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1. Introduction

1.1 Risk Management is a key aspect of the "Corporate Governance Principles and Code of Conduct" which aims to improvise the governance practices across the activities of Spacenet Enterprises India Limited. (the "Company"). Risk management policy and processes will enable the Company to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts and capitalize on opportunities.

2. Objective of the Policy

2.1 The Company is prone to inherent business risks. The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

2.2 This document is intended to formalize a risk management policy, the objective of which shall be identification, evaluation, monitoring and minimization of identifiable risks (**"Policy"**).

2.3 This Policy is approved by the Board in its meeting held on June 9, 2020 and is in line with Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulation, 2015) which requires the Company to lay down procedures for risk assessment and risk minimization.

3. Effective Date

3.1 This Policy is effective from 30th May,2023.

4. Definitions

4.1 **"Audit Committee**" means the Audit Committee constituted by the Board of Directors of the Company under Section 177 of the Companies Act, 2013 and the provisions of Listing Regulations, 2015, from time to time.

4.2 **"Board**" means Board of Directors of Spacenet Enterprises India Limited.

4.3 **"Company**" means Spacenet Enterprises India Limited.

4.4 **"Risk**" is defined as the chance of a future event or situation happening that will have an impact upon company's objective favourably or unfavourably. It is measured in terms of consequence and likelihood.

4.5 **"Risk Management"** encompasses risk assessment plus the evaluation of risks against established tolerances, their treatment and monitoring.

5. Risk Appetite

5.1 A critical element of the Company's Risk Management framework is the risk appetite, which is defined as the extent of willingness to take risks in pursuit of the business objectives.

5.2 The key determinants of risk appetite are as follows:

A. Shareholder and investor preferences and expectations;
B. Expected business performance (return on capital);
C. The capital needed to support risk taking;
D. The culture of the organization;
E. Management experience along with risk and control management skills; and
F. Longer term strategic priorities.

5.3 Risk appetite is communicated through the Company's strategic plans. The Board and the management of the Company monitors the risk appetite of the Company relative to the Company's actual results to ensure an appropriate level of risk tolerance throughout the Company.

6. Risk Management Framework

6.1 The Company believes that risk should be managed and monitored on a continuous basis. As a result, the Company has designed a dynamic risk management framework to allow to manage risks effectively and efficiently, enabling both short term and long term strategic and business objectives to be met.

6.2 The Company's approach to risk management is summarized as below:

A. Identification of risks

To ensure key risks are identified, the Company should:

1. define the risks in context of the Company's strategy;
2. documents risk profiles, including a description of the material risks; and
3. regularly reviews and updates the risk profiles.

B. Assessment of risks

The Risk assessment methodology shall include:

1. collection of information;
2. identification of major risks;
3. rating of each risk on the basis of: consequence, exposure, probability;
4. prioritization of risks;
5. function-wise exercise on risk identification, risk rating, control; and
6. function-wise setting the level of responsibility and accountability.

C. Measurement and control

Identified risks are then analyzed and the manner in which the risks are to be managed and controlled are then determined and agreed. The generally accepted options are:

1. accepting the risk (where it is assessed the risk is acceptable and where avoiding the risk presents a greater risk through lost opportunity);
2. managing the risk (through controls and procedures);
3. avoiding the risk (through stopping the activity);
4. transferring the risk (through outsourcing arrangements); and
5. financing the risk (through insurance arrangements).

D. Continuous assessment

1. The Company's Risk Management framework requires continuing cycle of implementing, monitoring, reviewing and managing the risk management processes.

7. Risk Profile

7.1 The identification and effective management of risks is critical in achieving strategic and business objectives of the Company. The Company's activities give rise to a broad range of risks which are considered under the following key categories of risk:

A. Strategic Risks

1. Lack of responsiveness to the changing economic or market conditions, including commodity prices and exchange rates, that impact the Company's operations;
2. Ineffective or poor strategy developed; and
3. Ineffective execution of strategy.

B. Financial Risks

1. Financial performance does not meet expectations;
2. Capital is not effectively utilized or managed;
3. Cash flow is inadequate to meet financial obligations;
4. Financial results are incorrectly accounted for or disclosed; and
5. Credit, market and/or tax risk is not understood or managed effectively.

C. Operational Risks

1. Difficulties in commissioning and operating a particular business;
2. Unexpected increase in the costs of the components required to run a business;
3. Adverse market conditions;
4. Failure to meet the expenditure commitments on prospecting/marketing particular business; and
5. Inadequate or failed internal processes, people and systems for running a particular business.

D. Investment Risks

1. Failure to provide expected returns for defined objectives and risk such as underperforming to the stated objectives and/or benchmarks.

E. People's Risk

1. Inability to attract and retain quality people;
2. Inadequate succession planning;
3. Inappropriate work culture and ethics;
4. Inefficient whistle blower mechanism; and
5. Inappropriate policy for woman safety at work place.

F. Legal and Regulatory Risks

1. Legal/commercial rights and obligations are not clearly defined or misunderstood; and
2. Commercial interests not adequately protected by legal agreements.

G. Compliance Risks

1. Non-conformance with or inability to comply with rules, regulations, prescribed practices, internal policies and procedures or ethical standards.

H. Sustainability Risk

1. Actions causing environmental damage
2. Compromising human rights or labour rights
3. Threatening occupational health and safety

I. Cyber security risk

1. Loss of Company's or customer artifacts, digital assets (code, database etc.,) or IP
2. Sharing of personally identifiable information without requisite approvals
3. Ransomware attacks

8. BUSINESS CONTINUITY PLAN

The Company has a business continuity plan in place which ensures that all critical services (inclusive of network services such as firewall, authentication, email etc.,) are cloud-based services and the end users are provided with laptops and can use any available internet connection securely due to cloud firewall and ATP configured on all machines.

Business continuity plan also covers readily identifiable risks, including technical problems, fires, natural disasters and other emergencies. The plan shall be communicated within the functions and business units and updated regularly. Major business excellence initiatives shall include Business Continuity Management which is in place for risk identification and assessment, business impact assessment and analysis, and the development, training and testing of business continuity plans.

9. GOVERNANCE STRUCTURE

9.1 The Company's Risk Management framework is supported by the Board of Directors, the management of the Company, Audit Committee and Risk Management Committee.

A. Board of Directors

The Board will undertake the following actions to ensure risk is managed appropriately:

1. The Board shall be responsible for framing, implementing and monitoring the risk management plan for the company;
2. Ensure that the appropriate systems for risk management are in place;
3. Participate in major decisions affecting the organization's risk profile;
4. Have an awareness of and continually monitor the management of strategic risks, financial risks, operational risks, investment risks, people's risk, legal and regulatory risks & compliance risks;
5. Be satisfied that processes and controls are in place for managing less significant risks;
6. Be satisfied that an appropriate accountability framework is working whereby any delegation of risk is documented and performance can be monitored accordingly; and
7. Ensure risk management is integrated into board reporting and annual reporting mechanisms.

B. Management

1. The management of the Company is responsible for monitoring and whether appropriate processes and controls are in place to effectively and efficiently manage risk, so that the strategic and business objectives of the Company can be met;

2. To assist the Board in discharging its responsibility in relation to risk management;

3. When considering the Audit Committee's review of financial reports, the Board receives a written statement, signed by the Executive Chairman and the Chief Financial Officer (or equivalents), that the Company's financial reports give a true and fair view, in all material respects, of the Company's financial position and comply in all material respects with relevant accounting standards. This statement also confirms that the Company's financial reports are founded on a sound system of risk management and internal control and that the system is operating effectively in relation to financial reporting risks;

4. Reporting to the Board of Directors consolidated risks and mitigation strategies on a half yearly basis.

C. Audit Committee

1. The Committee is delegated with responsibilities in relation to risk management and the financial reporting process of the Company;
2. The Committee is also responsible for monitoring overall compliance with laws and regulations.

10. REVIEW OF THE POLICY

10.1 The Board will review this Policy from time to time to ensure it remains consistent with the Board's objectives and responsibilities.

11. PENALTY FOR NON ADHERENCCE OF THE CLAUSE OF THE POLICY

11.1 Non – Adherence to any of the Clause as mentioned in this Policy will attract penalty of one lakh rupees which may extend to one crore rupees as prescribed under Section 15 HB of SEBI Act, 1992

12. PUBLICATION OF POLICY

12.1 The key features of the Policy will be published in the annual report of the Company.