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RISK MANAGEMENT POLICY

Risk Management Policy

1. LEGAL FRAMEWORK

This Risk Management Policy (hereinafter referred to as "Policy") is framed in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Section 134(3) of the Companies Act, 2013 ('the Act') requires the Board of Directors of a company, as part of the Board's Report, to give a statement 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.

Further, the provisions of Section 177(4)(vii) of the Companies Act, 2013 require that every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall inter alia include evaluation of adequacy and effectiveness of risk management systems. Additionally, this Policy shall be in compliance with Regulation 17(9)(b), 21 & 4(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

In line with these requirements, the Company's Risk Management Policy incorporates a Business Continuity framework as an integral component of its risk governance. This ensures that risk identification and mitigation are complemented by structured measures to safeguard stakeholder interests, protect assets, and sustain critical operations during unforeseen disruptions.

2. SCOPE

This Policy Standard sets out the detailed requirements and minimum levels of achievement necessary to implement the risk management elements of the business. This policy shall come into effect immediately upon the provisions with respect to Risk Management under regulation 21(5) becoming applicable on the Company. This policy facilitates management of risks associated with our activities and minimize the impact of undesired and unexpected events. Taking and managing appropriate levels of risk is an integral part of all our business activities. Risk Management, performed rigorously and comprehensively, creates stability, indirectly contributes to profit and is a key element of reputation management.

In accordance with Regulation 21(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has defined the role and responsibilities of the Risk Management Committee. The Committee shall monitor and review the risk management plan of the Company and perform such other functions as may be delegated by the Board. Its responsibilities specifically include oversight of financial, operational, sectoral, sustainability, information, regulatory, and cyber security risks, thereby ensuring effective risk management and organizational resilience.

3. RISK MANAGEMENT COMMITTEE

COMPOSITION

The Risk Management Committee shall consist of minimum three members with majority of them being members of the Board of Directors, including at least one Independent Director. The

Chairperson of the Risk management Committee shall be a member of the Board of Directors and senior executives of the listed entity may be members of the committee.

MEETINGS

The Risk Management Committee should meet at least two times in a year and not more than 210 days shall elapse between two consecutive meetings.

QUORUM

The Quorum for the meeting of the Committee shall be a minimum of two members or one-third of the Members of the Committee, whichever is higher, including at least one member of the Board of directors in attendance.

RISK MANAGEMENT FRAMEWORK PROCESS

Risk management is a continuous process that is accomplished throughout the life cycle of a Company. It is an organized methodology for continuously identifying and measuring the unknowns; developing mitigation options; selecting, planning, and implementing appropriate risk mitigations; and tracking the implementation to ensure successful risk reduction.

Effective risk management depends on risk management planning; early identification and analyses of risks; early implementation of corrective actions; continuous monitoring and reassessment; and communication, documentation, and coordination.

The Company also incorporates Business Continuity framework to complement risk mitigation with preparedness and recovery measures. This framework carries on identification of internal and external risks faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee .

4. STEPS IN RISK MANAGEMENT

A. Risk Identification
B. Risk Assessment
C. Risk Analysis
D. Risk Mitigation
E. Risk - Control and Monitoring

A. RISK IDENTIFICATION

This involves continuous identification of events that may have negative impact on the Company's ability to achieve goals. Identification of risks, risk events and their relationship are defined on the basis of discussion with the risk owners and secondary analysis of related data, previous internal audit reports, past occurrences of such events. Further, as a part of Business Continuity Framework, such identification also covers potential crises, such as IT outages, natural calamities, health emergencies, and supply chain failures, ensuring early recognition of both conventional and continuity-related risks.

B. RISK ASSESSMENT

Risk assessment is the process of risk prioritization. Likelihood and Impact of risk events have been assessed for the purpose of analyzing the criticality. The potential impact may include:

I. On a periodic basis risk, external and internal risk factors are assessed by responsible managers across the organization. The risks are identified and formally reported through mechanisms such as operation reviews and committee meetings.

- External risks factors:
  - Economic Environment
  - Political Environment
  - Competition Fluctuations in trading activities
  - Changes in interest rates
  - Changes in government policies
  - 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.

II. Internal control is exercised through policies and systems to ensure timely availability of information that facilitate pro-active risk management.

- Internal risks factors:
  - Project Execution
  - Contractual Compliance
  - Operational Efficiency
  - Hurdles in optimum use of resources
  - Quality Assurance
  - Environmental Management
  - Human Resource Management
  - Culture and values

C. RISK ANALYSIS

Risk Analysis is to be conducted taking the existing controls into consideration. Risk events assessed as "high" or "very high" criticality may go into risk mitigation planning and implementation; low and medium critical risk to be tracked and monitored on a watch list.

D. RISK MITIGATION

To ensure that the above risks are mitigated, Awfis Space Solutions Private Limited will strive to:

1. Involve all functions in the overall risk identification and mitigation exercise;

2. Link the risk management process to the strategic planning and internal audit process;

3. Integrate risk mitigation process to Business Continuity Framework, that allow operations to resume swiftly when disruptions occur.

4. The Risk Management Committee shall have access to all information necessary to fulfill its responsibilities. It has the powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;

5. The Risk Management Committee may in its judgment periodically commission risk management analysis of the Company;

E. CONTROL AND MONITORING MECHANISM

Risk management uses the output of a risk assessment and implements countermeasures to reduce the risks identified to an acceptable level. This policy and the Business Continuity

Framework provides process of continuous assessing and mitigating risks identified within functions and associated processes. In circumstances where the accepted risk of a particular course of action cannot be adequately mitigate their status shall be continuously monitored and periodically presented to Risk Management Committee and Audit Committee.

5. BUSINESS CONTINUITY FRAMEWORK

In alignment with its commitment to resilience and stakeholder protection, the Company recognises Business Continuity as an integral component of its Risk Management Policy. The Business Continuity framework provides structured preparedness and recovery mechanisms to ensure that essential services remain available, or are restored promptly, in the event of disruption. It covers critical areas such as employee safety, client service continuity, IT and data protection, facility operations, and engagement with key partners.

Embedding continuity within the risk management framework ensures that mitigation efforts are reinforced with preparedness and recovery capabilities. The Company conducts regular testing, structured reviews, and post-incident assessments to validate effectiveness and drive continuous improvement. This integrated approach reflects its broader commitment to safeguard people, protect assets, and maintain stakeholder trust even in adverse circumstances.

6. RESPONSIBILITY FOR RISK MANAGEMENT

Every employee of the Organisation is responsible for the effective management of risk including the identification of potential risks. Management is responsible for the development of risk mitigation plans and the implementation of risk reduction strategies. Risk management processes should be integrated with other continuity framework, planning processes and management activities.

This requires leaders and employees alike to be prepared to activate continuity measures, safeguard client operations, protect assets, and restore critical services in the event of disruptions. The Risk Management Committee and senior management provide oversight, but ownership of both risk and continuity lies across all levels of the organisation.

7. RISK OVERSIGHT

Board of Directors:

The Board shall be responsible for framing, implementing and monitoring the risk management plan for the Company. The Board shall on recommendation of the Risk Management Committee adopt the Risk Management Policy and critically review the risk governance and monitoring mechanism. The Board shall meet at least once in a year to review the top risks faced by the Company and the status of their mitigation plan.

Audit Committee:

The Audit Committee oversees the effectiveness of internal controls, financial reporting integrity, and compliance with statutory requirements. Its risk oversight role is primarily focused on financial, operational, and compliance controls, ensuring that significant risks are addressed through sound governance and assurance processes.

Risk Management Committee:

Risk Management Committee shall assist the Board in framing policy, guiding implementation, monitoring, and reviewing the effectiveness of Risk Management Policy and practices. The Committee shall act as a forum to discuss and manage key strategic and business risks. The Risk Management Committee provides enterprise-wide oversight of strategic, operational, ESG, and cyber risks. It is also responsible for reviewing the Company's Business Continuity framework, ensuring preparedness, periodic testing, and resilience planning, and making recommendations to the Board on risk appetite and continuity strategies

8. REVIEW

This Policy along with the Business Continuity Framework shall be reviewed periodically to ensure it continues to meet legislative requirements, regulatory expectations, and the evolving needs of the organisation. Reviews will consider changes in the business environment, risk profile, and strategic priorities. The Policy shall be reviewed once in every two years by the Risk Management Committee. Any changes or modification to the Policy shall be recommended by the Committee and be placed before the Board of Directors for approval.

9. AMENDMENT

Any subsequent amendment/modification in the applicable laws in this regard shall automatically apply to this Policy.