



## **MEGA LIFESCIENCES PUBLIC COMPANY LIMITED**

### **RISK MANAGEMENT POLICY AND FRAMEWORK**

#### **1. Objective**

Mega Lifesciences Public Company Limited wishes to establish a Risk Management Framework and Risk Management processes through this document. The objective is to ensure that risks that could have a material impact on the group's business activities are identified and measures taken to mitigate such risks. Management takes concrete measures proactively in an effort to prevent them from materializing.

The progress of and response to these major risks are reviewed every Quarter by the Risk Management committee and reported to the Audit Committee and Board of Directors.

#### **2. Organisational Framework**

Mega Lifesciences has appointed a Chief Risk and Compliance Officer who reports to the CFO. The Company shall constitute a Risk Management Committee which will comprise of Risk Owners who are primarily the function heads like Marketing, Supply Chain, Finance, IT, Manufacturing, the Chief Risk and Compliance Officer and the CFO (Member of the Board of Directors). The Risk owners may appoint delegates or risk coordinators for their functions.

### 3. Administration

The Committee shall meet once in a quarter and discuss the risk profile of their department/ function, the potential risks in implementing the strategy, the impact and likelihood of the risk materializing and the mitigation plan for the same. The Risk Management Committee shall submit its report to the Audit Committee on a quarterly basis for its review and approval.

### 4. Reporting and Functioning

Each risk owner/ coordinator shall maintain a Risk Register which will comprise of a history of risks and assign the Impact rating based on the likely deviation from the Budget/ Strategy and a likelihood rating based on the probability of occurrence of deviation. Risk Exposure level shall be based on mix of the impact and likelihood ([Exhibit -1](#)). The Risk owners/ coordinators shall also present a mitigation plan which will document the action plan to reduce or avoid the stated risks.

The Risk Management Committee shall prepare a quarterly Risk Certificate which will highlight the details of Extreme risks. This Risk Certificate shall be submitted to the Audit Committee in the Audit Committee meeting.

The Risk certificate shall be presented to the Audit Committee by the Chief Risk & Compliance Officer and to the Board of Directors by the CFO on a quarterly basis.

## Exhibit 1 – Mega Lifesciences Risk Matrix

<b>IMPACT</b>	Severe	5	H	E	E	E	E
	Serious	4	M	H	E	E	E
	Moderate	3	M	M	H	H	E
	Minor	2	L	L	M	H	H
	Insignificant	1	L	L	L	M	M
			1	2	3	4	5
	Probability of Occurrence		0.1%	1%	10%	25%	50%
	<b>LIKELIHOOD</b>						

### Exposure Level:

E – Extreme

H – High

M – Medium

L – Low