RISK MANAGEMENT POLICY

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Background

Risk evaluation and management are important tool in the decision making process. Identification ton of risk and implementing proper steps to mitigate the same will result in smooth running of the business.

Section 134(3) of the Companies Act, 2013 requires a statement to be included in the report of the board of directors ("Board") of Data Patterns (India) Limited, 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.

Furthermore, Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), requires that the Company set out procedures to inform the Board of risk assessment and minimization procedures and makes the Board responsible for framing, implementing and monitoring the risk management plan of the Company.

Objective and Purpose

In line with the Company's objectives, a risk management policy has been framed, which attempts to identify the key events / risks impacting the business objectives of the Company and attempts to develop risk mitigating policies and strategies to ensure timely evaluation, reporting and monitoring of key business risks.

Constitution of Risk Management Committee

The Company has constituted a Risk Management Committee of the Board, with the overall responsibility of overseeing and reviewing risk management across the Company.

a. **Purpose –** to identify the potential risks that could impact the business sustainability of the Company, assess such risks, measures for risk mitigation of identified risks and business continuity plan.

b. The terms of reference of the Risk Management Committee are as follows:

- Review of strategic risks arising out of adverse business decisions and lack of responsiveness to changes;
- Review of operational risks;
- Review of financial and reporting risks;
- Review of compliance risks;

- Review or discuss the Company's risk philosophy and the quantum of risk, on a broad level that the Company, as an organization, is willing to accept in pursuit of stakeholder value;
- Review the extent to which management has established effective enterprise risk management at the Company;
- Inquiring about existing risk management processes and review the effectiveness of those processes in identifying, assessing and managing the Company's most significant enterprise-wide risk exposures;
- Review the Company's portfolio of risk and consider it against it's risk appetite by reviewing integration of strategy and operational initiatives with enterprise-wide risk exposures to ensure risk exposures are consistent with overall appetite for risk; and
- Review periodically key risk indicators and management response thereto.

c. **Composition –** The Risk Management Committee shall consist of minimum of 3 members, majority of them being Board members including at least one independent director.

d. **Meetings –** The Risk Management Committee shall meet at least twice in a year.

e. **Quorum for the meeting –** 1/3rd of the number of members or 2 whichever is higher. The quorum shall consist of at least one Board member in attendance.

Policy

Our risk management approach is composed primarily of three components:

i. Risk Governance
ii. Risk Identification
iii. Risk Assessment, Risk mitigation and Control

i. Risk Governance:

- The functional heads of the Company are responsible for managing risk on various parameters and ensure implementation of appropriate risk mitigation measures.

- The Risk Management Committee provides oversight and reviews the risk management policy from time to time.

ii. Risk Identification:

External and internal risk factors that must be managed are identified in the context of sustainability of business.

iii. Risk Assessment, Risk mitigation and Control:

This comprises the following:

- Risk assessment and reporting
- Risk control
- Capability development

On a periodic basis risk, external and internal risk factors are assessed by functional managers across the organization. The risks are identified and formally reported through mechanisms such as operation reviews and committee meetings. Internal control is exercised through policies and systems to ensure timely availability of information that facilitate proactive risk management. Examples of certain of these identified risks are as follows:

- Policy changes due to political/economic reasons
- Broad market trends and other factors beyond the Company's control harming its business, financial condition and results of operations.
- Failure in implementing its current and future strategic plans
- Security risks and cyber-attacks
- Significant and rapid technological change
- Threat due to competition
- Products losing market appeal and the Company not being able to expand into new product lines
- Its risk management methods not being effective or adequate
- Environment, social and governance related risks

Review of the Policy

This policy may be reviewed at least once every year to ensure it meets the requirements of legislation and the needs of the organization.

As amended on May 17, 2025