

RISK MANAGEMENT POLICY

GENOMIC VALLEY BIOTECH LIMITED

1. Legal Framework:

Risk Management is a key aspect of the “Corporate Governance Principles and Code of Conduct” which aims to improve the governance practices across the Company’s activities. 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.

In compliance with Clause 49 of the Listing Agreement effective from October 01, 2014, the Company is required to lay down procedure for ‘**Risk Assessment**’ and ‘**Risk Minimization**’.

2. Objective of the Policy:

The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in identifying, 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.

3. Constitution of Risk Management Committee:

Risk Management Committee is constituted by the Company consisting of such number of Directors (executive and non-executive) as the Company thinks fit.

4. Principles of Risk Management:

- a) All business decisions will be made with the prior information and acceptance of risk involved.
- b) The Risk Management Policy shall provide for the enhancement and protection of business value from uncertainties and consequent losses.
- c) All employees of the company shall be made aware of risks in their respective domains and their mitigation measures.
- d) The risk mitigation measures adopted by the company shall be effective in the long-term and to the extent possible be embedded in the business processes of the Company.
- e) Risk tolerance levels will be regularly reviewed and decided upon depending on the change in Company’s strategy.
- f) The occurrence, progress and status of all risks will be promptly reported and appropriate actions be taken thereof.

5. Risk Management Policy Statement:

- a) To ensure protection of shareholder value through the establishment of an integrated Risk Management Framework for identifying, assessing, mitigating, monitoring, evaluating and reporting of all risks.
- b) To provide clear and strong basis for informed decision making at all levels of the organization.
- c) To continually strive towards strengthening the Risk Management System through continuous learning and improvement.

6. Scope:

The policy guidelines are devised in the context of the future growth objectives, business profile envisaged and new business endeavors including services that may be necessary to achieve these goals and the emerging global standards and best practices amongst comparable organizations. This policy is meant to ensure continuity of business and protection of interests of the investors.

This policy applies to all employees of the Company at any level of seniority within the business. The policy also applies to the consultants working on behalf of GVBL.

The GVBL Risk Management Policy and Risk Management Framework have been developed to include the following key categories:

- a) Customer Services
- b) Financial Sensitivity
- c) Business processes and Systems
- d) Strategy Development
- e) Corporate Governance and Compliance

7. Role of the Committee:

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

The terms of reference, roles and responsibilities of the Committee shall include:

- a) Recommend to the Board and then formally announce, implement and maintain a sound system of risk identification oversight, management and internal control.
- b) To develop and seek Board approval for a range of specific duties that it is to be carried out.

- c) To detail the functions and processes which are considered necessary to ensure that the Board can be satisfied that the Company's risks are being effectively managed
- d) Examine and determine the sufficiency of the Company's internal processes for identifying, reporting and managing key risk areas.
- e) Consider other matters relating to risk management that it considers desirable. In addition, the Committee will examine any other matters referred to it by the Board.

The Board will periodically review such updates and findings and suggest areas where control and Risk Management practices can be improved.

8. Disclosure in Board's Report:

Board of Directors shall include 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 business of the company.

9. Review:

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