

B.A.G. FILMS AND MEDIA LIMITED RISK MANAGEMENT COMMITTEE AND RISK MANAGEMENT POLICY

INTRODUCTION

The Risk Management Committee (“the RMC”) of the Board of Directors (“the Board”) of B.A.G. Films and Media Limited (“the Company”) has been formed in compliance with revised Clause 49 (VI) of the Listing Agreement (w.e.f. 1st October, 2014) to ensure that the affairs of the Company are carried out in a sound and a prudent manner by managing its business, operating, strategic and financial risk by adopting appropriate risk identification, assessment, control and mitigation measures.

PURPOSE

The purpose of the RMC of the Board of Directors of the Company shall be to assist the Board in fulfilling its Corporate Governance oversight responsibilities with regard to the identification, evaluation and mitigation of business, operating, strategic and financial risk. The RMC has overall responsibility for monitoring and approving the risk policies and associated practices of the Company.

OBJECTIVES

The RMC and Risk Management Policy (“the Policy”) are in compliance with revised Clause 49 (VI) of the Listing Agreement (w.e.f. 1st October, 2014):

- (i) to formulate and recommend to the Board, a Risk Management Policy (“the Policy”) which shall indicate the various steps to be undertaken by the Company as may be prudent;
- (ii) to ensure that all the current and future material risk exposures of the company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e to ensure adequate systems for risk management,
- (iii) to establish a framework for the company’s risk management process and to ensure its implementation;
- (iv) to ensure that the Company should review the policy, methods and measures and steps taken by the Company at regular interval;
- (v) to enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices;
- (vi) to assure business growth with financial stability.

DEFINITION

- (1) In these Policy, unless the context otherwise requires,-
- (i) **“Act”** means the Companies Act, 2013 (18 of 2013);
 - (ii) **“Board”** means Board of Directors of the Company;
 - (iii) **“Director”** means a Director on the Board of the Company including Directors of subsidiaries;
 - (iv) **“Risk Management”** means and includes but not limited to:-
 - (a) Business Risk;
 - (b) Operational Risk;
 - (c) Financial Risk,
 - (d) Compliance Risk;
 - (e) Marketing Risk;
 - (f) Project Risk;
 - (g) Strategic Risk;
 - (h) External Environmental Risk.
 - (v) **“Risk Management Committee”** means the Committee of the Board of Directors constitutes as per revised Clause 49 (VI) of the Listing Agreement (w.e.f. 1st October, 2014).

CONSTITUTION OF RISK MANAGEMENT COMMITTEE

Risk Management Committee shall be constituted by the company consisting of such number of directors (executive or non-executive) as the Company thinks fit. The Committee shall meet on regular interval during the year. Two members being Directors present shall form the quorum for the meeting of the Committee.

Membership of the Committee shall be disclosed in the Annual Report. The Company Secretary of the Company shall act as Secretary of the RMC.

The Board shall define the roles & responsibilities of the Risk Management Committee & may delegate monitoring & reviewing of the risk management plan to the Committee & such other functions as it may deem fit.

ROLE AND RESPONSIBILITIES

- To disclose the composition of the Risk Management Committee in the Board Report;

- To formulate and recommend to the Board, a Risk Management Policy;
- To disclose content of such policy in its report and also place it on the Company's website, in such manner as may be prescribed;
- Annually review and approve the Policy and associated frameworks, process and practices of the Company;
- Ensure the Company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities;
- Form and delegate authority to subcommittee when appropriate;
- Make regular reports to the Board;
- Review and reassess the adequacy of this Policy annually and recommend any proposed changes to the Board for approval.

The Board shall be responsible for framing, implementing and monitoring the risk management plan for the Company. The Board shall define the roles and responsibilities of the Risk Management Committee and may delegate monitoring and reviewing of the risk management plan to the Committee and such other functions as it may deem fit.

The Board shall ensure that the appropriate systems for risk management are in place and satisfied that an appropriate accountability framework is working whereby any delegation of risk is documented and performance can be monitored accordingly;

The Board shall review the performance of the RMC annually.