

RISK ASSESSMENT AND MANAGEMENT POLICY

➤ PREAMBLE:

1. As per Regulation 17 (9) of the (Listing Obligations and Disclosure Requirements) Regulations, 2015 the listed entity shall lay down procedures to inform members of board of directors about risk assessment and minimization procedures and the board of directors shall be responsible for framing, implementing and monitoring the risk management plan for the listed entity and accordingly policy on Risk Assessment and Management is required in order to assess and manage the risk.
2. Section 134 (3) (n) of the Companies Act, 2013, which states the implementation of a Risk Management Policy for the Company.

➤ POLICY OBJECTIVES:

1. Maxima Systems Limited (the "Company") believes that pro-active risk assessment is the key process towards management of risk and thereby protecting the Shareholders value, improving governance process, achieving strategic objectives and being well prepared for adverse situations affecting the Company.
2. The Objectives of the Risk Management activities are to:
 - a. Maintain the highest possible integrity for services provided by the Company;
 - b. Create an environment where all the employees understand and accept the importance of risk Management;
 - c. Reduction in loss and cost of risk;
 - d. Achieve a more confident and rigorous basis for decision making and planning;
 - e. Improve the ability to be proactive rather than reactive in Risk Management;
 - f. Improve Compliance with relevant Legislation;
 - g. Demonstrate better Corporate Governance through transparent and responsible risk management process aligned with accepted best practice standards and methods.

➤ RISK MANAGEMENT PROCESS:

The main elements of Risk Management Process are;

01. Establish the Context:

Establish the strategic, organisational and risk management context in which the rest of process shall take place. Criteria against which risk will be evaluated shall be established and the structure of the analysis defined.

02. Identify Risk:

Identify what, why and how things can arise as the basis for further analysis.

03. Analyse Risk:

Determine the existing controls and analyse risk in terms of consequences and likelihood in the context of those controls. The analysis should consider the range of potential consequences and how likely those consequences are to occur. Consequences and likelihood may be combined to produce an estimated level of risk.

04. Evaluate Risk:

Compare estimated levels of Risk against the pre-established criteria. This enables risks to be ranked so as to identify management priorities. If the levels of risk established are low, then risk may fall into an acceptable category any treatment may not be required.

05. Treat Risk:

Accept and monitor low – priority risk. For other risk, develop and implement a specific management plan which includes consideration of funding.

06. Monitor and Review:

Monitor and review the performance of the risk management system and changes which might affect it.

07. Communicate and Consult:

Communicate and consult with internal and external stakeholders as appropriate at each stage of the risk management process and concerning the process as a whole.

➤ ROLES AND RESPONSIBILITIES:

a. Elected Representatives:

Elected representatives are responsible for supporting the framework that sets the parameters for what is to be achieved. This will require considering risks when making decisions and allocating, funding and resources.

b. Senior Management:

Senior Management are responsible for ensuring that a risk management system is established, implemented and maintained in accordance with this policy.

c. All Employees Generally:

All employees generally are responsible for identifying potential risk. Management is additionally responsible for risk analysis, evaluation, assignment, registration and the development of mitigation plans and risk reduction strategies. These risk management processes should be integrated with other planning processes and management activities.

All employees are required to support and contribute to risk management initiatives and to advise their managers to risk issues they believe requires attention.

d. Risk Management Group:

The General Manager will ensure that employee representative across the organisation meet regularly, to implement risk management actions throughout the organisation. This general Manager or nominee will chair these meeting

A Risk Management Action Plan will be developed to guide the implementation of Risk Management Activities.

The General Manager is responsible for overseeing the implementation of the Risk Management Action Plan.

e. Managers and Supervisors:

All Managers and supervisors are responsible for the implementation of this Risk Management Policy and the Risk Management Action Plan within their respective areas of Responsibility. This includes the identification, assessment and documentation of risk, and the acceptance or assignment of risk responsibility, ongoing assignment and recording of risk in a risk Register.

f. Risk Assessments:

The Company will adopt methodologies in managing risk. This methodology must be integrated into projects, business and corporate planning and review process.

The objective of any risk assessment process is to establish a consistent and comparable basis for quantifying and risk across the organisations operation. These risk levels can then be compared to the acceptable level of risk, as determined by the General Manager, to identify an appropriate strategy for treatment.

g. Supporting Documents:

The General Manager will ensure adequate supporting documents are developed for use for staff in support of this policy. These documents include a risk register that records all identified risks, a Risk Management Action Plan that identifies actions to be taken to mitigate risks and a risk management framework that outlines the entire framework within the organisation for risk management.

h. Risk Registration, Treatment and Reporting:

Organisations risk Register requires managers to record, as a minimum, the risk description, an assessment of that risk, the responsible officer for managing that risk and treatment plans.

This information provides a useful tool for managers and staff to consider in both strategic and operational planning and is available to managers and staff.

The risk management group will monitor the risk profile of the organisation with particular regard to those risks that exceed an acceptable risk level.

The Management of risk will be integrated into the organisation existing planning and operational processes and will be recognised in the funding and quarterly reporting mechanisms, on the basis of evaluation of the level of risk and exposure.

➤ REVIEW OF THE POLICY:

The policy shall be reviewed by the Board of Directors of the Company after every three years and any changes shall be approved by the Board of Directors.