



Policy Title	Risk Management Policy (“ Policy ”)
Entity	Embassy Office Parks Management Services Private Limited (“ Company ”/ “ Manager ”) and the Embassy Office Parks REIT (“ Embassy REIT ”) and its SPVs, Holdco
Responsibility for ensuring Compliance	Compliance Officer
Last Amended	August 06, 2020

Applicability	The Policy is applicable to the Company and the special purpose vehicles of the Embassy REIT (“ SPVs ”), Embassy Office Park Private Limited (“ Holdco ”) of the Embassy REIT
Purpose	<p>This policy is framed in line with the requirement of Section 134(3) and Section 177(4) of the Companies Act, 2013.</p> <p>An element of risk is associated with all activities carried out by the REIT, the Company and the SPVs/ Holdco of the Embassy REIT (hereinafter referred to as the “Relevant Entities”) and a practice of risk management enables the Relevant Entity to proactively identify, assess and remediate the risks posed to such Relevant Entity. The responsibility of managing risk lies with all employees associated with the Relevant Entity.</p> <p>This policy outlines the Embassy REIT’s risk management process and sets out the responsibilities of the Board of Directors, the Audit Committee, the Risk Management Officer, senior management of the Company/ Embassy REIT and others within the Relevant Entities in relation to risk management of the Embassy REIT</p>
Audit Committee	<p>The following shall serve as the role and responsibilities of the Audit Committee authorized to evaluate the effectiveness of the risk management framework:</p> <ul style="list-style-type: none"> (a) To examine the organization structure relating to risk management; (b) Evaluate the efficacy of risk management systems-recording and reporting; (c) Review the strategy for implementing risk management policy; (d) Seeking regular assurance that the system of internal control is effective in managing risks in accordance with the Board of Director’s policies; and (e) Ensure that senior management monitors the effectiveness of internal control system.
Risk Management Officer	<p>The Risk Management Officer shall be the Chief Financial Officer of the Manager and shall have the following responsibilities:</p> <ul style="list-style-type: none"> (a) Establishing the Relevant Entity’s risk management framework to satisfy itself that it continues to be sound and effectively identifies all areas of potential risk at least once annually; (b) Framing, implementing and monitoring the risk management plan for the Relevant Entity; (c) Ensuring adequate policies and processes have been designed and implemented to manage identified risks; (d) Undertaking a regular program of audits to test the adequacy of and compliance

	<p>with prescribed policies; and</p> <p>(e) Undertaking remedial action to mitigate the risks identified.</p>
Compliance Officer	<p>The Compliance Officer of the Relevant Entity shall be responsible for:</p> <p>(a) Monitoring compliance with this Policy;</p> <p>(b) Reporting to the Board of Directors on compliance with this Policy.</p>
General Responsibilities	<p>Every staff member is responsible for effective management of risk including the identification of potential risks. Management is responsible for the development of risk mitigation plans and the implementation of risk reduction strategies including the promotion and training of the risk management process to staff. Risk management processes should be integrated with other planning processes and management activities.</p>
Risk Management Procedure	<p>Risk management is a continuous process that is accomplished throughout the life cycle of a company. It is an organized methodology for continuously identifying and measuring the unknowns; developing mitigation options; selecting, planning, and implementing appropriate risk mitigations; and tracking the implementation to ensure successful risk reduction. Effective risk management depends on risk management planning; early identification and analyses of risks; early implementation of corrective actions; continuous monitoring and reassessment; and communication, documentation, and coordination.</p>
Risk Management Methodology	<p>The methodology adopted by the company for managing and treating its risks can be defined as follows:</p> <p>Risk Identification:</p> <p>This involves continuous identification of events that may have negative impact on the Embassy REIT’s ability to achieve goals. Identification of risks, risk events and their relationship are defined on the basis of discussion with the risk owners and secondary analysis of related data, previous internal audit reports, past occurrences of such events etc.</p> <p>The Risk Management Officer shall perform the following activities:</p> <p>(a) Identify risks (threats or opportunities) and document the risks in the minutes of their meetings.</p> <p>(b) Identify the general activities involved in running the business (i.e. risk categories).</p> <p>(c) Identify the risks involved in undertaking the specific business activity.</p> <p>Risk Assessment:</p> <p>Risk assessment is the process of risk prioritization or profiling. The Risk Management Officer shall carry out a qualitative and quantitative assessment for all key risks identified during the risk identification process and rate the likelihood of the business activity not being properly performed. Likelihood is assessed to the assumption that there are no existing risk management and compliance processes in place. It is assessed as either “Almost Certain”, “Likely”, “Possible”, “Unlikely” and “Rare”.</p> <p>Risk Analysis:</p> <p>Risk analysis is a process to comprehend the nature of risk and to determine the level of</p>

risk. The Risk Management Officer shall analysis risk to identify potential causes and sources of risk in order to analyze their consequences. The consequence of not properly performing the business activity shall be rated and the damage can be quantified in terms of financial loss to investors and/or the Embassy REIT itself. It shall be assessed as “Catastrophic”, “Major”, “Severe”, “Serious” and “Minor”.

Risk Evaluation and Treatment:

The Risk Management Officer shall perform the following activities to evaluate and treat the risk:

- (a) Assign the inherent risk rating based on a combination of the risk rating. Low and medium risks may be considered acceptable and therefore minimal further work on these risks may be required. The rating may be assessed as “Critical”, “High”, “Significant”, “Medium” and “Low”.
- (b) Decide whether a control (e.g.: policy, procedure, checklist, reporting mechanism or account reconciliation) is necessary given the level of risk, based on likelihood and consequences and if so, identify control.
- (c) Assess whether the existing controls are adequate and allocate the responsibility of monitoring the control to treat the risk. This will integrate risk management and compliance to daily activities and facilitate appropriate control of operational risk.
- (d) Raise awareness about managing risks across the organization through communicating the policy and responsibilities.
- (e) Routinely monitor and review ongoing risks so can risk can be effectively managed.