

RISK MANAGEMENT POLICY

OF

M/S. LINCOLN PHARMACEUTICALS LIMITED

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1. PREAMBLE:

The Board of Directors (“Board”) of Lincoln Pharmaceuticals Limited (“Company” or “LINCOLN”), has adopted the following policy which comprehends practices relating to identification, assessment, monitoring and mitigation of various risks to the business. Risk Management Policy of the Company seeks to minimize negative impact on the business objectives and develop investor value. Further, the risk management practices seek to sustain and enhance long-term competitive benefit for the Company.

2. PURPOSE OF THE POLICY:

This policy sets out the key elements of Lincoln’s risk management outlining the main principles behind the risk management framework. It communicates Lincoln’s structured approach to managing risk and establishes a common terminology across the organization, ensuring that Lincoln uses risk management systematically to inform decision-making.

3. APPLICABILITY:

This policy shall apply across all locations of the company including its operations and all support functions.

4. KEY DEFINITIONS:

4.1 Risk Assessment – The systematic process of identifying and analyzing risks. Risk Assessment consists of a detailed study of threats and vulnerability and resultant exposure to various risks.

4.2 Risk Management – The systematic way of protecting business resources and income against losses so that the objectives of the Company can be achieved without unnecessary interruption.

4.3 Risk Management Process - The systematic application of management policies, procedures and practices to the tasks of establishing the context, identifying, analyzing, evaluating, treating, monitoring and communicating risk.

5. LINCOLN'S RISK MANAGEMENT FRAMEWORK:

The Company's risk management framework sets the foundations and organizational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management capability. Undertaking a periodic review to assess the effectiveness of the Company's risk management framework is necessary to ensure that the framework continues to evolve and meet the needs of the entity.

Integration of the Risk Management Framework with business objectives and monitoring effectiveness of the mitigation measures through a review of Key Risk Indicators ensures effectiveness of the Risk Management Framework.

6. THE RISK MANAGEMENT PROCESS:

Risk Management is a continuous process that is accomplished throughout the life cycle of the organization. Effective Risk Management covers risk management planning, early identification and analyses of risks, implementation of corrective actions, continuous monitoring and reassessment, and communication, documentation and coordination.



7. Development of Action plan:

The Board has constituted a Risk Management Committee consisting of the following members and defined the Committee's role and responsibility:-

SR No.	Name of Members	Position	Category
1.	Ms. Meha M. Patel	Chairperson	Non-Executive/ Independent
2.	Mr. Munjal M. Patel	Member	Whole Time Director
3.	Mr. Darshit A. Shah	Member	Chief Financial Officer

The Committee shall not only assist in implementation of the Risk Management Plan of the Board but also monitor its implementation and review.

The role of the committee shall, inter alia, be as follows:

(1) To formulate a detailed risk management policy which shall include:

(a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

(b) Measures for risk mitigation including systems and processes for internal control of identified risks.

(c) Business continuity plan.

(2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company including cyber risk;

(3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

8. BOARD APPROVAL:

The Action Plan and guidelines decided by the Risk Management Committee shall be approved by the Board before communication to the Key Managerial Personnel for implementation.

The Board shall approve the risk management (including risk treatment) strategy, control structure and policy guidelines and delegate authority and accountability for risk management to the Company's executive team.

9. AMENDMENT:

Any change in the Policy shall be approved by the Board of Directors or any of its Committees (as may be authorized by the Board of Directors in this regard). The Board of Directors or any of its authorized Committees shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board or its Committee in this respect shall be final and binding. Any subsequent amendment / modification in the Listing Regulations and / or any other laws in this regard shall automatically apply to this Policy.

10. EFFECTIVE DATE:

This policy has been approved by the Board of Directors of the Company at the duly convened Board Meeting held on 25th May, 2021 and further amended by the board on its meeting held on 31st January, 2023.