



**BLUE
COAST
HOTELS
LIMITED**

RISK MANAGEMENT POLICY

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INTRODUCTION

Blue Coast Hotels Limited recognises risk management as an integral component of good Corporate Governance and fundamental in achieving its strategic and operational objectives. It improves decision-making, defines opportunities and mitigates material events that may impact shareholder value.

Risk Management philosophy is to adopt an independent holistic approach to manage uncertainties from all quarters that is "enterprise-wide risk management".

Three critical elements on which the enterprise risk management framework is build; creating a clear direct line of sight from risk management to investor's value; implementing a process to protect investor's value; and building the organizational capability to ensure strategic risk management.

This ensures that risk management complements business objectives and strategies. The function assists in structuring technology, processes and assets in an advantageous manner, and the architecture so formed, is capable of tackling disruptions in the operational universe. It ensures that business development at all times is within parameters and regulations.

METHODOLOGY

Blue Coast Hotels Limited has adopted an enterprise wide framework that incorporates a system of risk oversight, risk management and internal control designed to identify, assess, monitor and manage risks. The Company applies risk management in a well-defined, integrated framework that promotes awareness of risks and an understanding of the company's risk tolerances. The Risk Management Framework enables a systematic approach to risk identification, leverage of any opportunities and provides treatment strategies to manage, transfer and avoid risks.

SCOPE

This policy applies to all team members, whether full time, part time or casual at any level of seniority within the business. The policy also applies to contractors and consultants working on behalf of the Company.

The Company Risk Management Policy and Risk Management framework have been developed to include the following key categories:

- Client Service.
- Human Resources
- Reputation and Brand
- Financial
- Business Processes and Systems
- Strategy
- Corporate Governance and Compliance
- Information Security

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RESPONSIBILITIES

The Board is ultimately responsible for identifying and assessing the nature and extent of internal and external risks that may impact the Company in achieving its strategic objectives. The Board is responsible for determining the company's risk appetite, overseeing the development and implementation of the Risk Management Framework and maintaining an adequate monitoring and reporting mechanism.

Management is responsible for ensuring that risks are identified, analysed, evaluated and mitigated. Management must develop a sustainable control environment to manage significant risks and champion the implementation of risk management processes within their business operations.

Management monitor and report on material risks identified through the internal and external audit process.

The Internal Audit program must be aligned to the company's risk profile and is responsible for providing independent assurance in relation to the effectiveness of processes to manage particular areas of risk. The scope of internal audit's risk-based program is agreed to as part of an annual plan which is refined as necessary.

REPORTING

The Chief Executive Officer and the Chief Financial Officer provide a declaration to the Board that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company.

The declaration will state that the opinion of the Chief Executive Officer and the Chief Financial Officer has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

POLICY REVIEW

The Board is responsible for reviewing and approving the Risk Management Policy and Risk Management framework at least annually to ensure their effectiveness and continued application and relevance to the Company business.

For Blue Coast Hotels Limited

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(Praduman Lal Suri)
Chairman & Managing Director

(Ashoka Kini)
Chairman – Audit Committee