NB FOOTWEAR LIMITED RISK MANAGEMENT POLICY

(Pursuant to SEBI (LODR) Regulation 2015 (including amendments) and The Companies Act, 2013 as reviewed, revised and adopted by Board in its meeting held on 12/02/2021)

POLICY PURPOSE AND SCOPE

This policy describes NB Footwear Limited (NBFL) risk management principles and expectations applicable to all types of risk in all activities undertaken by or on behalf of NBFL. It also outlines roles and responsibilities for the Board of Directors and all staff.

PRINCIPLES

At NBFL, a principal risk is defined as the chance of something happening, measured in terms of probability and impact, that may adversely affect the achievement of NBFL's strategic or major business objectives.

Risk management is a structured and disciplined approach to assessing and managing the uncertainties that NBFL faces as it creates value and preserves value.

NBFL believes risk taking is a necessary and accepted part of our business. Effectively managing risk is a competitive necessity and an integral part of creating shareholder value through good business practices designed to ensure that NBFL achieves its strategic, business and governance objectives, and protects its corporate reputation, values and integrity. In the context of realizing strategic objectives, some amount of failure is an accepted outcome of risk taking as long as risks have been properly assessed and managed.

NBFL acknowledges that all activity has an element of risk and that not all risks can or should be transferred. NBFL is committed to managing risks including strategic risks, at all levels in the organization and summarizes these risks into three broad categories: operational risk; financial risk; and safety, environmental and regulatory risk. Since many risks can impact NBFL reputation, all risks must be evaluated in terms of the potential impact on NBFL business and reputation.

EXPECTATIONS

NBFL overall risk appetite and risk tolerance will be determined by the Board of Directors in conjunction with the Senior Management.

Risk will be evaluated, managed and documented consistent with guidelines, tools and framework advocated by this Corporate Risk Management Policy.

In all cases, risk will be evaluated in terms of the impact on the following areas: people, environment, assets, financial/business objectives, and reputation. The risk will be assigned a probability of occurrence, with a resulting risk level ranging from low to extreme.

Risks identified as extreme, high, or medium will require implementation of a risk transfer, reduction, elimination, or exploitation strategy to reduce the residual risk level to as low as reasonably practicable. Risks identified as extreme or high with an impact above a specified threshold will be reported to the Executive Director.

RISK MANAGEMENT ROLE AND RESPONSIBILITIES:

The Board of Director is collectively responsible for developing the NBFL'S risk management principles and risk management expectations as well as defining the NBFL'S risk appetite and tolerances

The Board of Directors is responsible for:

- Approving, authorizing and periodically reviewing the Policy.
- Ensuring that a system is in place to identify the principal risks to the Corporation and that the best practical procedures are in place to monitor and mitigate the risks.
- Reviewing risk reports that identify the principal risks to the Corporation and the mitigation strategies in place.
- Risk management committees may be established by Board of Directors to address specific risk areas.
- Disclosure of the statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company in Boards' report pursuant to Section 134(3)(n) of the Companies Act, 2013.

The Executive Director is responsible for:

- Identifying all significant risks to the NBFL'S businesses and ensuring that procedures are established to mitigate the impact of the risks in the best interest of shareholders.

- Appointing or recommending the appointment of the Chief Risk Officer, as applicable.

AUTHORITY

Unless otherwise noted in this Policy, any significant exceptions to this Policy require the approval of Board of Directors.