



Risk and Crisis Management Regulations (RCMR)

Ref No.	NKI/ON-06/24
Date	June 26, 2024

Approved By	Recommended By	Checked By	Prepared By
Sign	Sign	Sign	Sign
			
Katsuya FUKASAKU <i>Managing Director</i>	Dr. G Sampath KUMAR <i>Director</i> <i>Corporate Management Division</i>	A. Siva KUMAR <i>HOD</i> <i>Admin & Logistics Dept</i>	Amit BHARDWAJ <i>HOD</i> <i>Legal & Compliance Dept</i>

Article 1 Purpose

1. These Regulations shall provide for basic matters with respect to risk and crisis management.

Article 2 Definition of Risk, etc.:

1. Risk shall be defined as “possibility of loss caused by an event that impedes the achievement of the business purpose of the Company”. Risk shall be evaluated and measured from the perspectives of “frequency of occurrence” and “scale of impact”.
2. The possibility of loss described in the preceding paragraph includes, but is not limited to, the following:
 - a) Possibility of directly or indirectly causing economic loss to the Company
 - b) Possibility of interrupting or suspending the continuation of the business of the Company
 - c) Possibility of discrediting the Company and damaging its brand image
3. Individual events when risks are actualized are called risk events. The time when risks are actualized includes the time when a loss actually occurs as well as the time when a risk of loss arises.



Article 3 Definition and Classification of Risk Management:

1. Risk management shall be defined as “activities aimed at the minimization of loss by responding to the risk event and eliminating or alleviating the causes”. This includes developing risk management systems, verifying the status of risk management, and evaluating and improving effectiveness.
2. The risk management carried out by the Company shall be classified as follows:

1. Preventive Management

The essence of risk management is prevention. Preventive management shall refer to management aimed at eliminating or alleviating the causes of anticipated risks in advance.

2. Response to risk events

This refers to the response to materialized Risk Events (including crisis management in Item 3).

3. Crisis management

This refers to the response to Risk Events (crises) that are likely to make a major impact on the business implementation of the Company (including that of Group Companies).

Article 4 Risk Management Promotion Structure:

1. The Board of Directors of the Company controls and promotes risk management by identifying, assessing and monitoring risks in general associated with its business operation and giving directions related to such risks and monitoring materialized risk events or crisis events. In addition, a subordinate “Risk Management Committee” has been constituted.
2. The Managing Director of the Company is appointed as the highest ranked officer for Risk Management.
3. The department specifically to promote risk management of the Company in general shall be the Corporate Management Division.
4. The head of each Business Unit is responsible for risk management for each different business operation (including the General Manager of each Branch/Project/Regional Office).
5. The Internal Auditing Office of the Company shall endeavor to prevent risk materialization by auditing the business operation system and the implementation status of operations.



Article 5 Basic Process of Preventive Management:

The basic process (PDCA) of preventive management shall be as follows:

1. Risk identification, evaluation, and analysis
2. Formulation of plan
3. Implementation
4. Evaluation of the effectiveness of preventive management and formulation of improvement measures
5. Implementation of the improvement measures and verification

Article 6 Preventive Management of Common Risks:

1. For preventive management of risks that can be commonly found within the Company (risks related to compliance, information security, accounting, workforce, health and safety, etc.), Department in charge of risk management shall, within the scope of their duties, develop necessary systems and regulations and provide training in order to promote company-wide risk management,
2. For preventive management of risks that can be commonly found in NK India and Group Companies, the Department in Charge of Risk Management shall cooperate with relevant departments of Nippon Koei, Tokyo and ensure that group-wide risk management is promoted in an integrated manner.

Article 7 Creation of Draft Risk Management Plan by Each Department:

1. Each department shall identify all the conceivable risks and estimate the occurrence frequency and the scale of impact taking the characteristics of each department into consideration. Each department shall, every fiscal period, develop specific measures to avoid, alleviate, transfer (share) or accept (retain) the risks to compile a draft risk management plan (risk management list and risk management sheet) and submit it to the Department in charge of Risk Management.
2. When creating a risk management plan, the Managing Director shall develop a list of priority issues (priority items and activities) for the Company's risk management plan. In addition, the Managing Director shall make decisions concerning the unit of departments that creates the risk management plan mentioned in the preceding paragraph and how it shall be created.

Article 8 Formulation of Risk Management Plan:

1. At both the beginning and the end of each fiscal year, the Managing Director shall review the priority issues and the draft risk management plan submitted by each



department through the Department in Charge of Risk Management and, following the review, shall approve them as an integrated Risk Management Plan consisting of an outline of the plan, risk management list and risk management sheet.

2. The Company shall decide the Risk Management Plan and submit it to the department in charge of risk and compliance of the Nippon Koei, Tokyo at the beginning of each fiscal term.
3. Based on the risk management plan of the company, A group risk management plan shall be prepared by the parent company.

Article 9 Implementation and Reporting on Risk Management:

1. Each department shall implement risk management in accordance with the risk management plan (priority issues, risk management list and risk management sheet).
2. Each department, on a quarterly basis, shall keep record of the status of risk management in the risk management sheet and assess the effectiveness of the risk management plan and, after making improvement in the risk management plan (risk management list and risk management sheet) of each department as necessary, shall report the implementation status of risk management plan to the Managing Director. In addition, each department shall report the materialization of major risk events (including crisis events) and the response made to such events during the past quarter (hereinafter collectively referred to as the “quarterly monitoring”).
3. The Managing Director may give direction to make revisions with respect to the content of the quarterly monitoring report ed by each department, if he considers it necessary.
4. The Managing Director shall report the content of the quarterly monitoring report to the department in charge of risk and compliance of Nippon Koei, Tokyo.
5. Directions given by the Board of Directors, or the Managing Director, shall be implemented by the manager of each department.

Article 10 Audit Risk Management by Internal Auditing Office:

1. The Internal Auditor shall report to the Managing Director quarterly on the status of its activity and also report to the Managing Director on the result of each audit at the time it is completed.
2. Receiving the report on the audit results mentioned in the preceding paragraph, the Managing Director shall give an order for improvement as necessary to the



General Manager of the relevant department. The General Manager of the department shall create an improvement plan and submit it to the Managing Director promptly via the Internal Audit Office of the Company. The Managing Director shall report the audit results and the content of the improvement plan to the Board of Directors, if required.

3. The Internal Auditor shall monitor the implementation of the improvement plan and report the result quarterly to the Managing Director.

Article 11. Reporting and Response to Materialized Risk Events

Risk events shall be classified into the following levels according to scale of impact as shown in the table below.

Impact Level	Name	Classification of Risk Event	Policy on Establishment of Emergency Task Force
LV1	LV1 risk event (Minor risk event)	Worst-case estimated loss of less than 1 million yen, or qualitatively equivalent minor risk	N/A
LV2	LV2 risk event (General risk event)	Worst-case estimated loss of more than 1 million yen but less than 10 million yen, or qualitatively equivalent risk	N/A
LV3	LV3 risk event (Serious risk event including the LV3 Crisis)	Worst-case estimated loss of more than 10 million yen but less than 100 million yen, or qualitatively equivalent major risk (including filing of lawsuit)	Depending on content, an Emergency Task Force is set up at the discretion of the Company where the risk.
LV4	LV4 risk event (LV4 crisis)	Worst-case estimated loss of more than 100 million yen but less than 1 billion yen, or qualitatively equivalent risk	In principle, an Emergency Task Force is set up in the Company where the crisis occurred with the involvement of Nippon Koei, Tokyo.
LV5	LV5 risk event (LV5 crisis)	Worst-case estimated loss of more than 1 billion yen, or qualitatively equivalent risk	An emergency task force shall be established including not only the Company but also the Nippon Koei, Tokyo and NKBP.



Article 12. Prompt Reporting of Risk Events and Reporting of Response Status

1. Risk events shall, in principle, be promptly reported and the response status shall be reported as shown in the table below according to classification level:

Level	Prompt Reporting (Immediately)	Response Status Report (Monthly)
LV1 & LV2	To Managing Director	To Risk Management Committee / Board of Directors
LV3	To President of Nippon Koei, Tokyo	To ID&E Risk Management Council via NK Tokyo Risk Management Committee
LV4 & LV5	To ID&E President	Similarly to ID&E Board of Directors

2. Officers and employees of the Company (including contract employees, short-term contract workers, temporary staff, part-time workers and side-job workers) and dispatched workers provided by temporary employment agencies (hereinafter referred to collectively as “Officers and Employees”) shall report the content of risk events (facts) to the Managing Director via Department In Charge of Risk Management, immediately they become aware of such kind of risk event in the course of their duties (including when loss actually occurs as well as when loss is likely to occur, as set forth in Article 2 Paragraph 2; the same shall apply hereinafter).
3. The Managing Director shall report to the President and General Manager of the Compliance Office of Nippon Koei, Tokyo immediately he becomes aware of a LV3 or higher risk event.
4. The status of the risk response measures shall be reviewed by Managing Director of the Company every month and shall be reported to, at least, a LV3 or higher risk event every month, in writing, to the concerned official of the Nippon Koei, Tokyo.

Article 13 Definition of Crisis and Basic Principles:

1. A “crisis” refers to a risk that can have a serious impact on the Company (a phenomenon likely to have an adverse effect on the implementation of the Company’s business operations) which has appeared (become manifest). Specifically, there are the following crises:
- a) Life-threatening situations for officers and employees (hereinafter referred to as “officers and employees”) of the Company



- b) Serious incidents and accidents that cause major economic loss to the Company
 - c) Serious incidents and accidents that impair the reputation and credibility of the Company
2. The basic principles of crisis management shall be as follows:
- a) Top priority shall be placed on securing the life and physical safety of the Company's officers and employees and their families, business partners, and persons related to them.
 - b) All the related officers and employees shall collaborate to respond to a crisis promptly in an organized manner in pursuit of swift restoration, minimization of loss, and prevention of recurrence.

Article 14 Guide to Crisis Classification Levels

A guide to the crisis classification levels provided in Article 11 is shown in the table below.

Level	Main Examples of Conceivable Crises	
LV3 Crisis	A LV3 risk event corresponding to a LV4 crisis occurs and an Emergency Task Force is set up at the discretion of the Holdings Group Company where the crisis occurred.	
LV4 Crisis	Disaster	<ul style="list-style-type: none"> • Large-scale earthquake, major fire, pandemic of infectious disease, etc. in India. • Disaster (Sediment disaster including landslide, etc.) at a site • Damage to offices, etc. (by flood, fire, etc.)
	Accident	<ul style="list-style-type: none"> • Injury accident caused by negligence (design defect, etc.) • Serious work-related accident • Serious industrial accident (death from overwork, etc.)
	Incident	<ul style="list-style-type: none"> • Illegal act or misconduct related to work by an employee • Arrest or indictment for reasons unrelated to work • Leaking of confidential information within limited range • Bankruptcy of major business partner • Filing of major lawsuit against Companies.
	War	<ul style="list-style-type: none"> • Civil war or war in India or region partially connected to Group business
LV5 Crisis	Disaster	<ul style="list-style-type: none"> • Large-scale earthquake (with serious impact on NKI and Group) • Major fire (fire in head office building, etc.) • Pandemic of infectious disease in India.



Accident	<ul style="list-style-type: none">• Fatal accident due to negligence (design defect, etc.)• Fatal work-related accident involving Officer or Employee
Incident	<ul style="list-style-type: none">• Serious crime (terrorist act, kidnapping, hijacking, etc.) against an Officer or Employee• On-site investigation by government agency, etc. on grounds of violation of law• Leaking of wide-ranging customer information or other confidential information• Work-related violation of law or misconduct by Officer• Arrest or indictment of Officer or Employee on grounds related to work• Hostile buying up of stock
War	<ul style="list-style-type: none">• Civil war or war in a country or region with close connection to business of ID&E Group

Article 15. Prompt Reporting of Major Risk Events

1. Officers and Employees of the Company, immediately they become aware of a LV3 or higher risk event, must report the following information (hereinafter referred to as “Crisis Information”) to the President and the General Manager of department in charge of risk management of the company:
 - (1) Information related to the risk (concrete facts)
 - (2) Details of how the information was acquired and current status of the response
 - (3) Other relevant information
2. The Managing Director or General Manager of the Department in Charge of Risk Management shall immediately report the information set forth in the preceding paragraph to the President of Nippon Koei, Tokyo and General Manager of the Compliance Office.

Article 16. Continued Reporting and Fact Finding:

1. A department that bears a relationship to a crisis, after reporting pursuant to the preceding article, shall continue to do its best to find detailed facts and collect information on the latest status and report such information as required via the channels set forth in the preceding article.
2. The Emergency Task Force may, as necessary, investigate the relevant persons or relevant departments in accordance with Article 12.

Article 17. Establishment of Emergency Task Force



1. The Managing Director shall, when a LV3 risk event occurs, consider whether it is necessary to establish an Emergency Task Force in view of the content of the crisis, and if necessary, shall establish such a task force.
2. The Managing Director shall, in principle, when a LV4 crisis occurs, establish an Emergency Task Force following discussion with the President of Nippon Koei, Tokyo and other concerned parties.
3. The Managing Director shall, when a LV5 crisis occurs, discuss with the ID&E President, the NKBP President, the President of Nippon Koei, Tokyo, and other concerned parties within the group. Further, the Managing Director in consultation with Nippon Koei, Tokyo shall jointly establish an Emergency Task Force.
4. The organizational content of the Emergency Task Force shall, in principle, be determined by the Managing Director, following discussion with concerned parties within the group. At such time, members may be selected from companies other than those where the Task Force is established with the consent of the Holdings Group Companies concerned, and external experts may be included as members of the Task Force.
5. The duties of the Emergency Task Force shall be as follows:
 - (1) Gather and analyze information and support the concerned parties
 - (2) Decide concrete measures or response policies and supervise their implementation
 - (3) Carry out external and internal PR activities
 - (4) Decide measures to prevent recurrence and verify their implementation
 - (5) Discuss and decide other important matters
6. The head of the Task Force shall convene meetings of the task force.

Article 18 Organizational Content of Emergency Task Force

1. The organizational content of the Emergency Task Force shall, in principle, be as set out below and shall be clarified by the list of Emergency Task Force members:

Organization	Composition	Main Roles
Task Force (Task Force Meeting)	<ul style="list-style-type: none"> • Head of Task Force: Managing Director (MD) or person nominated by MD • Members: SBU Heads of Business Units and other persons nominated by MD • Observers (Optional): Persons with specialized knowledge from inside or outside group, etc. 	<ul style="list-style-type: none"> • Decide measures or response policies • Decide measures to prevent recurrence



Task Secretariate	Force Compliance Department	Gather information and act as contact point
-------------------	-----------------------------	---

2. In the case of a joint Emergency Task Force, Managing Director shall discuss and decide the organizational content in accordance with Paragraph 1.
3. The head of the Task Force may revise the organizational content of such task force whenever necessary.
4. The Department Response Team leader may revise the organizational content of such team whenever necessary.
5. The Response Support Team leader may revise the organizational content of such team whenever necessary.

Article 19 Response after establishment of Emergency Task Force

1. A meeting of the Task Force shall be held without delay.
2. Measures or response policies shall be discussed and decided in the Task Force meeting.
3. The head of the Task Force shall give instructions and implement the measures or response policies within the Company.
4. The concerned parties shall continue to check the facts, gather and analyze information, and flexibly review the measures or response policies.

Article 20 Dissolution and Prevention of Recurrence:

1. When the response to the crisis has been completed, the Emergency Task Force shall, in principle, formulate and verify the implementation of measures to prevent recurrence, and report the following content in writing to the Managing Director or the council entity in charge of risk management (Risk Management Committee) or the council entity of each concerned company (in the case of a joint Emergency Task Force) and discuss the dissolution of the task force:
 - a. Content of the crisis and how it was handled
 - b. External impact and cause and background of occurrence
 - c. Content of measures to prevent recurrence (including the person responsible for and department in charge of implementation), and implementation results. However, if the formulation and verification of the implementation of measures to prevent recurrence by the Emergency Task Force is not required, mention shall be made to such effect in the report, together with the reasons therefore.
2. The Managing Director shall decide the dissolution of the task force after confirming that the content of the report in the preceding paragraph is appropriate.



Article 21 Department in Charge and Revision or Abolition:

1. The department in charge of these Regulations shall be the Corporate Management Division. Proposals for the revision or abolition of these Regulations shall be initiated by said Department and implemented based on the decision of the Managing Director, who established these Regulations.
2. Notwithstanding the provision in Paragraph 1, formal changes accompanying changes in the organizations and the titles shall be implemented based on the decision of the Director of the Corporate Management Division.