RISK MANAGEMENT POLICY

OF

YATRA ONLINE LIMITED

(Formerly known as Yatra Online Private Limited)

RISK MANAGEMENT POLICY

Objective

Risk Management ("RM") Policy has been developed to assist in establishing and maintaining an effective risk management framework for Yatra Online Limited ("Company"). Company operates in a business environment that is characterized by intensifying competition and a greater number of government regulations. Further increasing speed of business activity and opportunities for expansion and diversification are rapidly changing and expanding the quantum and importance of risks faced by the company. RM framework assists the management in effectively dealing with uncertainty and associated risks & opportunities, thereby enhancing the organization's capacity to build value.

The policy is intended to ensure that an effective RM framework is established and implemented within Company and to provide regular reports on the performance of that program, including any exceptions, to the Risk Management Committee (RMC).

Key objectives of the policy are to:

- Provide an overview of the principles of risk management
- Explain approach adopted by the Company for management
- Define the organizational structure for effective risk management

This policy complements and do not replace other specific risk management/ compliance programs, such as those relating to regulatory compliance matters, already in place at Company.

Further, it applies to all employees of Company and to every part of Company's business and functions.

The Policy is in compliance with the Regulation 17(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and provisions of Companies Act, 2013, as amended which requires the Company to lay down procedures about risk assessment and risk minimization.

1. Applicability

This Policy applies to every part of Yatra Online Limited (the "**Company**") business and functions.

2. Definitions

2.1. "**Company**" means Yatra Online Limited

2.2. "**Risk**" means a probability or threat of damage, injury, liability, loss, or any other negative occurrence that may be caused by internal or external vulnerabilities; that may or may not be avoidable by pre-emptive action.

2.3. "**Risk Management**" is a process affected by an entity's Board of Directors, management and other personnel designed to identify potential events that may affect the entity and manage risks, to provide reasonable assurance regarding the achievement of entity objectives.

2.4. "**Risk Management Committee ("RMC")**" means the Committee formed by the Board.

2.5. "**Risk Assessment**" means the overall process of risk analysis and evaluation.

2.5. "**Risk Register**" means a tool for recording the Risks identified under various operations.

3. Risk Management (RM)

RM is a structured, consistent, and continuous process for identification and assessment of risks, undertaking control assessment and continuous monitoring of exposure of the risk. It is a defined and disciplined approach aligning strategy, processes, people, technology, and knowledge with the purpose of evaluating and managing the uncertainties it faces as it creates value. The RM Framework provides direction at all levels of management to enhance and evaluate the effectiveness of an entity's risk management.

A structured RM framework can help support the maximization of shareholders' value in several ways:

- Clarity of roles, responsibility, and expectations for managing risks
- Quicker, risk-oriented decisions by focusing on key risks
- Avoid major surprises related to the overall control environment

To realise these RM benefits, Company aims to ensure:

- Ongoing identification and assessment of key risks in the context of the company's risk assessment criteria
- Active involvement of relevant employees and management in the risk management process
- Continuous monitoring and management of the potential impact of risks
- Integration of risk management activities in the day-to-day operations of the company

RM policy is intended to ensure that an effective RM framework is established and implemented within Company and to provide regular reports on the performance of that program, including any exceptions, to the management.

4. Risk Management Framework

Key elements of RM Framework include Risk Strategy, Risk Structure, Risk Portfolio, Risk Measuring & Monitoring and Risk Optimizing. The implementation of the framework is supported through criteria for risk assessment and categorization and risk reporting structure.

The overall objective of risk management process is to optimize the risk-return relationship.

4.1 RM Strategy

Business strategy indicates the direction of the business; similarly, a risk strategy provides guidance for risk activities within the Company. It sets the tone for aggressive or conservative risk management activities, dictate how measuring and monitoring activities can be carried out and provide the overall view, needed by the management and the Board of Directors.

Accountability for enterprise-wide risks resides with the Board of Directors, although responsibility for enterprise-wide risks is dispersed throughout the company under the supervision of the RMC. Respective risk owners to assist the RMC in fulfilling this responsibility.

4.2 RM Structure

A formal risk organization structure with defined roles and responsibilities for risk management activities is an essential prerequisite for an effective RM framework.

The ERM structure needs to be supported by defined roles and responsibilities of RMC that are clearly communicated and understood across the organisation.

4.3 Risk Management Portfolio

The RM cycle begins with risk identification, followed by risk assessment, risk categorisation and finally by recording of risks in the risk registers.

Risk portfolio management includes risk identification, assessment and modification /updation to the risk register.

4.3.1 Risk Identification

The purpose of risk identification is to identify potential events that have an adverse impact on the achievement of business objectives.

The identification of risks is the first step in the risk management framework. Potential events that might have an impact on the entity must be identified. Event identification includes identifying factors – internal and external – that influence how potential events may affect strategy implementation and achievement of objectives. It includes distinguishing between potential events that represent risks, those representing opportunities and those that may be both. Management identifies interrelationships between potential events and may categorize events to create and reinforce a common risk language across the entity and form a basis for considering events from a portfolio perspective.

In order to identify risks, a range of potential events must be considered while considering past events and trends as well as possible future exposures. An event identified may have negative or positive impacts. An event with positive impact represents an opportunity and an event with negative impact represents a risk.

4.3.2 Risk Assessment

Risk assessment involves quantification of the impact of risks to enable prioritisation based on potential severity and probability of occurrence. Further judgemental assessment of RMC (in view of combined experience of RMC members) may be used for risk assessment & prioritisation. This would allow an entity to consider the extent to which potential events might have an impact on achievement of objectives.

The RM Framework at Company is evolving, and consideration of impact and likelihood is essential to evaluate risk assessment going forward.

4.3.3. Risk Categorization

Risk Categorization into different groups helps to prioritize risks, within the company. Categorization enables management to focus on a specific group of risks.

Risks are categorized into the following 10 categories for Company: Economy, Competition, Technology, Internal Control, People and Culture, Intellectual property, Customer, Regulatory, Strategy and Concentration Risk.

4.3.4 Risk Recording

"The Risk Register acts as a central repository of key risks"

Purpose of the risk register is to record identified key risks and related information in a structured manner. Reports drawn from the register are used to communicate the current status of all known risks and are vital for assessing management control, reporting, and reviewing the risks faced by Company.

The risk register contains the following information with respect to each identified key risk: risk statement/ description, risk universe, risk exposure, risk owner, mitigating controls, action plan, timelines for implementation of action plans, status update and risk source.

5. Monitoring and reviewing Risks

A risk review involves re-examination of all risks recorded in the risk register to ensure validity of the risk portfolio.

The risk reviews will be conducted by the RMC on a periodical basis to monitor the effectiveness of the risk management framework.

Risk reviews involve the following:

- Assessment of completeness and validity of risks recorded in the risk register
- Assessment of changes in the business processes, operating and regulatory environment since the last risk assessment carried out and corresponding changes required in the RM policy of the organization.
- Review of efficacy and implementation status of action plans for identified risks and consequent revision in action plans.

Risk Council consolidates the changes/additions proposed by the Risk Owners, for discussion in RMC meeting

6. Risk Optimisation

The final step in a RM framework involves optimisation of risks faced by the Company. Optimisation involves managing the exposure of top risks which includes reducing costs related to excessive controls or taking action to expand risks in areas where existing controls provide additional risk capacity. Management should continuously balance the cost/ benefit of taking such action with the need to optimize risk in the organisation.

Management's effort is to control risks which have a 'high' or a 'significant' impact and reduce the exposure, to optimize the tops risks impacting the company's business objectives.
Following are key risk treatment options which management may adopt to optimise risks:

- ***Risk Acceptance****:* Risks which cannot be avoided, reduced, or transferred are to be accepted by the company. The Company also accepts risks where additional risk handling is not cost effective or potential returns are attractive in relation to the risk exposure.
- ***Risk Avoidance:*** This option is utilised for risks whose likelihood, consequences or organizational impact is significant. Hence, management may choose to avoid them

altogether by withdrawing from such activities. (e.g., refuse bookings, withdraw from some geographies etc)

- ***Risk Mitigation**:* It is an approach to reduce either the likelihood or the consequences of the risk event by designing specific controls (e.g., natural disaster recovery plan etc)
- ***Risk Transfer**:* Transferring means soliciting the involvement of a third party, thereby 'passing on' the impact of a risk event. (e.g., Insurance, joint ventures etc)

7. Amendment

Any change in the Policy shall be approved by the board of directors ("**Board**") of the Company. The Board 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 in this respect shall be final and binding. Any subsequent amendment/modification in the Companies Act, 2013 or the Rules framed thereunder or the Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy.

8. Communication of this Policy

This Policy shall be posted on the website of the Company i.e. www.yatra.com.

9. Review of this Policy

This Policy shall be reviewed by the Risk Management Committee periodically, atleast once in two years, including by considering the changing industry dynamics and evolving complexity which shall be approved by the RMC and reported to Board of Directors.

10. Terms of appointment of chief risk officer (if appointed)

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