



ENTERPRISE RISK MANAGEMENT POLICY

(Revised adopted on August 08, 2023)

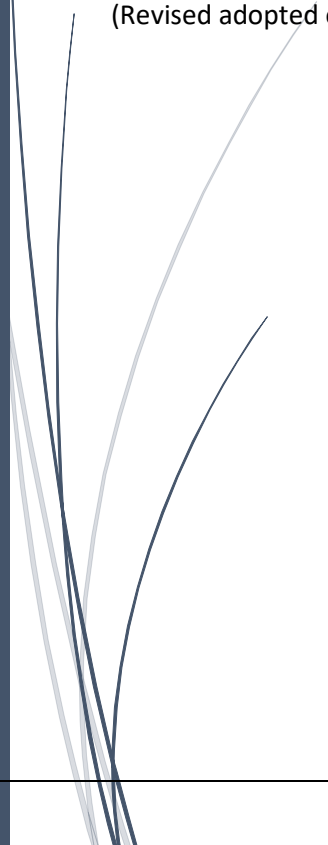


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INTRODUCTION

Yatra Online Limited (Hereinafter referred to as “Company”) acknowledges that it operates, in a challenging business environment. Given the evolving industry dynamics and regulatory requirements, the Company needs to be well prepared to manage its risks appropriately.

The Company recognizes that risk is inherent to its business operations, and that effective management of risks plays a critical role in facilitating value creation for its shareholders, employees, and other stakeholders.

The Company has laid down an Enterprise Risk Management Policy (*hereafter referred to as the “Policy”*) that details therein guidelines for implementation of Enterprise Risk Management (*hereafter referred to as “ERM”*) framework across the Company. The policy supports the Company’s endeavor to design, implement, monitor, review, and continually improve its risk management practices.

This Policy has been developed to assist in establishing and maintaining an effective risk management framework for the Company. Company operates in a business environment that is characterized by intensifying competition and a greater number of applicable rules and 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 ERM 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”).

This Policy is in compliance with the Regulation 17 and 21 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Hereafter referred to as “Listing Regulations”), as amended and provisions of Companies Act, 2013, as amended which requires the Company to constitute the RMC, lay down procedures about risk assessment and risk minimization etc.

This Policy provides an overview of the Company’s Risk Governance structure and illustrates the roles and responsibilities of various stakeholders within it. It majorly encompasses the following elements:

- Policy Objectives
- Risk Governance Structure
- Enterprise Risk Management Roles and Responsibilities

1. Purpose

The purpose of this policy is to define the requirements around Enterprise Risk Management. This policy sets out the objectives and accountabilities for risk management within the Company such that it is structured, consistent and effective, to drive and thereupon improve the Company’s risk management capabilities in a dynamic business environment.

2. Scope

This policy shall apply consistently across all levels of the Company, and to all processes or functions in the Company.

3. Objectives

The objective of this policy is to lay down and establish a structured and disciplined approach to the ERM framework for the Company and to facilitate informed decision making on risks. The specific objectives of this Policy are:

- Provide guidelines of risk management and approach adopted by the Company for management
- Define the governance structure for effective risk management
- Provide a sound basis for risk governance practices.
- Promote an effective risk management system that supports the Company's growth strategy.
- Support the achievement of the Company's mission, vision, and strategic priorities in line with its core values, through risk-informed decision-making across the Company.
- Integrate risk management in the strategic decision making across the Company.
- Identify and pursue existing and new opportunities in accordance with the Company's risk strategy
- Establish structured processes for identifying, assessing, responding, monitoring, and reporting on risks.
- Facilitate compliance with all applicable regulatory requirements, related to risk management and reporting
- Establish a process to identify and assess risks which can impact business continuity of the Company and define response recovery plans for such risks.

4. ERM Governance Structure

The responsibility for risk management is shared across the organization. The Company has established three pillars of risk management responsibilities in its governance structure, that cascades the scope of activities of all processes or functions.

5. Enterprise Risk Management Roles and Responsibilities

5.1 Risk Governance and Oversight

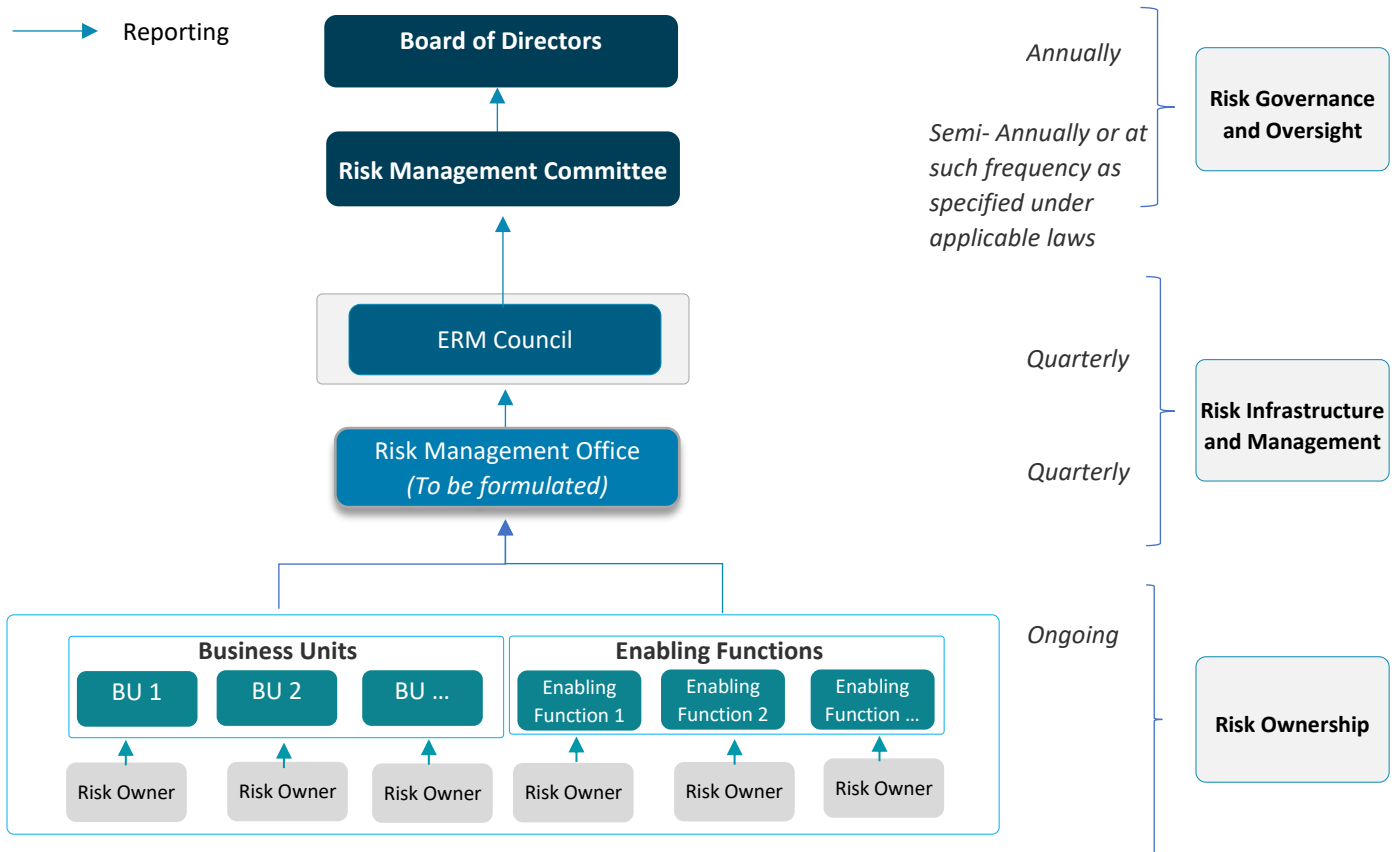


Figure 1: ERM Governance Structure

5.1.1 Board of Directors

The Board is fully committed to the objectives of ERM and its engagement in risk oversight function to strengthen the organizational resilience to significant risk exposures. The Board, through its designated committee shall oversee the establishment and implementation of an adequate system of risk management across the Company.

The Board shall understand the risk profile and comprehensively review the effectiveness of the company’s risk management system.

5.1.2 Risk Management Committee

The Risk Management Committee would be entrusted with the responsibility to assist the Board in framing policy, guiding implementation, monitoring, and reviewing the effectiveness of the risk management policy and framework. The Committee will also act as a forum to discuss and manage the Company’s key risks.

The roles and responsibilities of the Risk Management Committee related to risk management are as follows:

- To formulate a detailed policy which shall include:

- a. framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectorial, sustainability (particularly, environmental social and governance 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.
- To ensure that appropriate methodology, processes, and systems are in place to monitor and evaluate risks associated with the business of the Company.
 - To monitor and oversee implementation of the policy, including evaluating the adequacy of risk management systems.
 - To periodically review the policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
 - To keep the board of directors informed about the nature and content of its discussions, recommendations, and actions to be taken.
 - The appointment, removal, and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee
 - Review and analyze risk exposure related to key risks and ensure that risk assessment and implementation are carried out as per the defined policies, procedures, and plans
 - Review key risks as applicable, including financial, operational, regulatory, sectoral, reputational, extended enterprise, strategic, sustainability (particularly, environmental social and governance related risks) and technological (including information system, cyber security risks and information security programs)
 - Review the ERM framework of the company on a periodic basis.
 - Monitor and review the exposures of the material risks and assess management preparedness to deal with the risk and associated events.
 - Advise the Board on all matters related to ERM. Engage other stakeholders in the risk management process when the need is identified.
 - The Committee may form and delegate authority to a sub-committee/councils or Chief Risk Officer, if any, which shall assist the Committee to manage the ERM.
 - Carry out any other functions as prescribed under the Listing Regulations and other applicable Laws
 - Formulate, oversee, and guide the development and implementation of Crisis/Disaster Management and Business Continuity procedures/plans and guidelines.

5.2 Risk Infrastructure and Management

The Risk Oversight function comprises of the Board and Risk Management Committee, who played a pivot role in framing the Policy and guidelines. The next two levels of risk responsibilities, namely Risk Infrastructure & Management and Risk Ownership, are shared by the key executives and working officials of the Company. The roles and responsibilities for teams constituting the risk infrastructure function as per the ERM Governance Structure are as elaborated below.

5.2.1 Enterprise Risk Management Council

To focus on ERM Governance and implementation, the Company has constituted an ERM Council which reports to the Risk Management Committee of Board. This council has the primary responsibility of

implementing the Risk Management Policy of the Company that supports strategic decision making and helps improve Company performance.

The ERM Council will meet on a quarterly basis and carry out its roles and responsibilities as defined below:

- Approve and convey strategies, methods and rules that insert risk assessment and response to risk considerations into (i) planning processes; (ii) strategy development and execution and (iii) capital authorization requests, if required.
- Set directions for risk management exercises
- Review existing risk management process and documentation.
- Identify key risks and report the advancement to the Committee on an occasional premise.
- Monitor all the cyber and information security risk management activities to line up with the general enterprise risk profile of the organization.
- Receive the Consolidated Risk Register and assess the fittingness of mitigation plans.
- Design, execute and assess essential countermeasures and mitigation plans for recognized risks.
- Setting-up mechanisms to identify and evaluate the Company's readiness to various crisis scenarios
- Evaluating the outcome of the responses as a means of continuous improvement mechanism in the risk management and crisis/disaster response practices
- Carry out any other activities as may be required or deemed necessary in this regard

5.2.2 Risk Management Office

The Risk Management's office will assist the ERM Council implementation of the ERM program across the Company. It will comprise of 1-2 officials/employees. They will co-ordinate with each of the risk owners on ongoing basis and develop/update the consolidated risk register for the enterprise.

Roles and responsibilities of the Risk Management's office are:

- Develop the updated consolidated risk register for the enterprise to be presented before the ERM Council on a quarterly basis.
- Drive ERM framework and concepts.
- Engage with risk owners on validating risk assessment.
- Engage with risk owners in developing risk response plans and co-ordinate where cross-functional inputs may be required.
- Periodically monitor the status of risk response plans and ensure that the risk response plans are implemented on time.
- Ensure periodic review and monitoring according to the guidelines.
- Escalation of challenges, concerns or unforeseen developments to Business Units/Enabling Functional leaders pertaining to existing or new risks.

5.3 Risk Ownership

5.3.1. Risk Owners

Roles and responsibilities of Risk Owners are:

- Responsible for identifying risks within their function.
- Perform ongoing assessment of the risk and manage existing risks.
- Develop the risk response plans with cross-functional inputs.

- Identify key risks for their respective function and report their progress to the Risk Management's office.

6. ERM Process and Framework Overview

To effectively manage uncertainty, respond to risks and exploit opportunities as they arise, the Company shall implement an ERM Framework, that lays down the risk management process, in the following steps-

- **Risk Identification:** Risk identification will involve identification of sources of risk, areas of impact events (*including emerging trends*) and their causes and their potential consequences, on the achievement of business objectives. The aim of this step is to generate a comprehensive list of risks based on events that may impact the achievement of business objectives.
- **Risk Assessment and Prioritization:** Risk Assessment and Prioritization involves evaluating and assessing the potential *impact, likelihood* of the identified risks. This would enable prioritization of risks, basis criticality, and help decide on the appropriate risk management strategy. Prioritization involves ranking the risks based on associated risk rating, to identify key risks.
- **Risk Treatment:** Risk Treatment refers to mitigation plans developed towards reducing the probability of occurrence or the impact of risk event. Once the Company has developed an understanding of its risk profile, it needs to determine if mitigation plans are required, especially in case of key risks.
- **Risk Monitoring and Review:** Risk Monitoring and Review involves defining definite review forums and frequency for monitoring the status of risks to track them periodically. Frequency of reviews is defined to ensure that key risks at the Company level are reviewed, together with review of progress of mitigation plans.
- **Risk Reporting:** Risk reporting ensures that relevant risk information is available across all levels of the Company in a timely manner to provide the necessary basis for risk-informed decision-making. Annual updates are provided to the Board on status of key risks and associated mitigation plans.

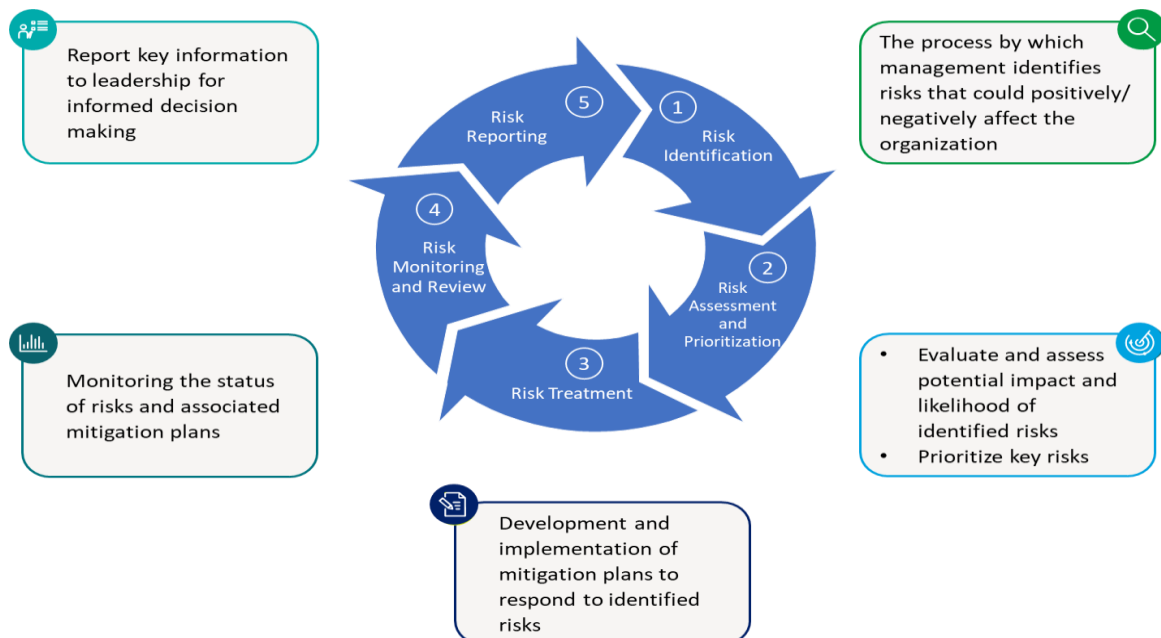


Figure 2: ERM Process

The ERM process includes actions that the organization takes to sense, evaluate, monitor, and respond to internal and external risks. Enterprise Risk Management policy will be read in conjunction with the Enterprise Risk Management framework and manual. The detailed guidance on the risk management process along with the enablers such as the risk assessment criteria for prioritization of risks is elaborated in the ERM Framework & manual document.

7. Communication

This policy shall be communicated to all functions and stakeholders involved in the risk management process of the Company. Further, the Policy is also available on the website of the Company.

8. Review

This Policy shall be reviewed at least every two years by the Risk Management Committee to ensure that it is aligned with the changes in business environment and regulatory requirements. Any changes to the Policy shall be approved by the Board as per recommendation of Risk Management Committee of the Board.

9. Regulatory Framework and Disclosure Requirements

The Companies Act, 2013 and Listing Regulations (as applicable to Yatra Online Limited), as amended from time to time, have incorporated various provisions in relation to Risk Management Framework including but not limited to:

- The provisions of Section 134(3)(n) of the Companies Act, 2013 necessitate that the Board's Report should contain a 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.
- The provisions of Section 177(4)(vii) of the Companies Act, 2013 requires terms of reference to Audit Committee include evaluation of Internal Financial Controls and Risk Management Systems.
- Further, Schedule IV to Companies Act, 2013 provides that Independent Directors to have, inter alia, following roles and functions:
 - ✓ Help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments, and standards of conduct.
 - ✓ Satisfy themselves on the integrity of financial information, and those financial controls and the system of Risk Management are robust and defensible.

Listing Regulations casts, various obligation on Company, Board, Audit and Risk Management Committees to be met with respect to the Risk Management Framework

10. Disclaimer

In any circumstances, where the terms of this Policy differ from any existing or newly enacted law, rule, regulation, or standard governing the Company, the newly enacted law, rule, regulation, or standard shall take precedence over this Policy until such time the Policy is changed to conform to the law, rule, regulation or standard.

Appendix A – Definitions of Common Terms

S.No	Terms	Definitions
1.	Enterprise Risk Management	Enterprise Risk Management involves identifying, assessing, measuring, monitoring, and responding to risks across the enterprise in a way that is aligned with the enterprise's objectives.
2.	Risk	Risk is defined as "the effect of uncertainty on objectives" and an effect is a positive or negative deviation from what is expected. Risk is measured in terms of impact and likelihood.
3.	Uncertainty	Inability to know in advance the exact likelihood or impact of future events.
4.	Challenges/Issue	If the event is certain to happen or has happened the event would be classified as an "issue/challenge". Mostly these challenges/issues are already addressed as part of annual planning processes. A "challenge" is a form of an obstacle that needs to be overcome to achieve desired business outcome. These are "certain" or "on-going" events and hence not classified as risks
5.	Business drivers	Business drivers are the factors/conditions that are vital for the continued success and growth of a business. For different sets of business, the drivers would vary across the organisational value chain depending on its inputs, output, and process parameters.
6.	Business Objectives	Objectives are the goals or targets that the organization desires to achieve within a pre-determined timeframe against each business driver.
7.	Risk Category	The broad categories to group risks together form the risk categories. More specifically risks are grouped based on the primary cause of the risk.
8.	Risk Register	Compendium of all risks finalized and detailed with risk definition, risk mitigation, risk owners and champions
9.	Risk Impact	Result or effect of an event. That may bring a range of possible impacts associated with the event
10.	Risk Likelihood	The assessment of the probability the risk will occur.
11.	Risk Score	The combined product of risk likelihood and risk impact
12.	Risk Response	A process of assigning risk owners and functional risk champion for each risk and mitigation; determining the strategy for responding to risks, developing, and implementing risk response plans
13.	Mitigation Plans	Strategies aimed at preventing the occurrence of risk event are called mitigation plans
