



ENTERPRISE RISK MANAGEMENT POLICY

Online Instruments (India) Limited
(Formerly Online Instruments (India) Private Limited)

1. RISK MANAGEMENT POLICY

1.1. OBJECTIVE AND SCOPE

This Policy detail the Risk Management principles and framework along with the associated procedures for Online Instruments (India) Limited (formerly known as Online Instruments (India) Private Limited) (hereinafter, referred to as the “**Company**”). This policy has been established by the management, to identify, assess, mitigate, monitor, and report the key risk categories (such as Strategic, Financial, Operational, Regulatory, Reputational, Third party, Sustainability, Technological Risks) on a periodic basis. It also prescribes the risk management governance structure along with the roles and responsibilities of various stakeholders within the organization. This policy has been specifically designed, to achieve the following objectives:

- Ensure achievement of the Company’s vision and strategic priorities in line with its core values;
- Integrate risk management in the culture and strategic decision-making in the organization;
- Enable compliance with appropriate regulations and adoption of leading practices;
- Anticipate and respond to changing economic, social, political, technological environmental and legal conditions in the external environment.

1.2. APPLICABILITY

This policy applies to all functions and units of the Company, its subsidiaries, and associates.

1.3. PHILOSOPHY

The risk management philosophy of the Company is built based on its vision and strategic goals. Since, risk is an integral part of every business activity, the Company aims to embed risk management in its regular course of business. This ensures that risk management is not seen as a traditional silo-based activity but is practiced by individual functions/business as a part of their day-to-day operations.

The Company has adopted an integrated approach for risk management wherein it ensures all material risks are identified, assessed, and mitigated for the long-term sustainability of the organization. In addition, the mitigation plans for all the key risks

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are aligned with the Company's strategic business plans and performance management system which are reviewed by the senior leadership on a periodic basis. The Company also has well defined policies, standard operating procedures and controls in place to minimize and mitigate the financial and operational risks. The Company's internal audit carries out reviews and the internal control advisory activities aligned to the key risks and their mitigation plans. This provides an independent assurance to the Audit Committee ("**Audit Committee**") on the adequacy and effectiveness of the risk management for operational and financial risks. Compliance with the Company's Code of Conduct and Whistle Blower Policy also ensures ethical culture and responsible decision making within the organization.

2. REGULATORY REQUIREMENTS

As per SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, every listed Company is required to define Risk Management Policy covering the framework for management of key business risk. The Board of Directors, the Audit Committee and the Risk Management Committee is responsible to ensure that the Company has a robust Risk management framework and monitor its effectiveness on periodic basis.

3. GOVERNANCE STRUCTURE

The Company has established three levels of risk management responsibilities in its Governance structure as Risk Oversight, Risk Infrastructure and Management and Risk Ownership.

1st Piler is Risk Governance and Oversight: The responsible person under this Piler is as per the below details:

Board of Directors - Audit Committee - Risk Management

2nd Piler is Risk Infrastructure and Management: The responsible person under this Piler is as per the below details:

Executive Committee - This Committee is Co-Ordinating with the responsible person under 3rd Piller.

3rd Piler is Risk Ownership: The responsible person under this Piler are the Functional Head of the Company and the Manager reporting to them.

3.1. RISK IDENTIFICATION

In order to identify and assess material business risks, the Company defines risks and prepares risk profiles in light of its business plans and strategies. This involves providing an overview of each material risk, making an assessment of the risk level and preparing action plans to address and manage the risk.

The Company majorly focuses on the following types of material risks:

- Commodity risk;
- Business risk;
- Foreign exchange risk;
- Technological risks;
- Strategic business risks;
- Operational risks;
- Quality risk;
- Competition risk;
- Realization risk;
- Cost risk;
- Financial risks;
- Human resource risks; and
- Legal/Regulatory risks.

3.2. RISK OVERSIGHT

Board of Directors:

The Board of Directors shall be responsible for defining the risk management strategy and objectives, overseeing the implementation of the risk management process and setting the tone and culture towards effective risk management. The Board shall define the risk management policy and critically review the risk management policy and critically review the risk governance and monitoring mechanism.

The Board shall meet at least once in a year to review the top risk faced by the Company and the status of their mitigation plan. It will also, review the Risk Management policy at least once in a year.

Audit Committee:

The Audit Committee shall be entrusted with the responsibility of periodic evaluation of risk management program and provide insight and direction to the Risk Management Committee. The Audit Committee would have an oversight of the management of Operational and Financial Risk faced by the Company.

For this, the Audit Committee would rely on the Internal Financial Controls and Internal Audit Mechanism put in place by the Company.

Risk Management Committee (RMC):

Risk Management Committee (RMC or the Committee) shall assist the Board in framing policy, guiding implementation, monitoring and reviewing the effectiveness of risk management policy and practices. The Committee shall act as a forum to discuss and manage key strategic and business risk.

The RMC is chaired by an Independent Director, and it shall meet at least twice in a year or at such intervals as may be deemed fit and the roles and responsibilities of the RMC have been defined as per the board approved charter. (Provided in **Annexure-I**).

Senior Management-

The Company's Senior Management is responsible for designing and implementing risk management and internal control systems which identify material risks for the Company and aim to provide the Company with warnings of risks before they escalate. Senior management must implement the action plans developed to address material business risks across the Company and individual business units.

Senior management should regularly monitor and evaluate the effectiveness of the action plans and the performance of employees in implementing the action plans, as appropriate. In addition, Senior management should promote and monitor the culture of risk management within the Company and compliance with the internal risk control systems and processes by employees. Senior management should report regularly to the Risk Management Committee regarding the status and effectiveness of the risk management program.

Employees-

All employees are responsible for implementing, managing and monitoring action plans with respect to material business risks, as appropriate, and identification of potential risks.

3.3. RISK INFRASTRUCTURE AND MANAGEMENT

Executive Committee of Management (Ex-Com):

The senior management team (Ex-Com) shall be accountable to design and implement risk management process within the Organisation. The primary responsibility of the Ex-Com shall be implementing the Risk Management Policy within the Company and developing a risk intelligent culture that helps improve organization resilience to critical business risks. They would support in identifying high priority risk, defining the right mitigation strategies and review the status of its mitigation plan on periodical basis.

Risk Co-ordinator

The Internal Audit function (Management of Audit Team) shall act as risk coordinator. The risk co-ordinator shall ensure risk management process as defined in this Policy are executed and coordinate the effort of various functions to deliver consolidated view to the Ex-Com and the RMC. The risk co-ordinator would also be responsible for conducting internal risk review meeting, maintaining risk registered and risk management policy, and suggesting best practices for strengthening the risk management process.

3.4. RISK OWNERSHIP

The final ownership of risk identification, monitoring and mitigation shall rest with the respective functional heads. The functional heads of various business units shall accept the risk of their respective areas and own the risk management plan of the unit.

The risk owner shall drive and monitor the progress of the mitigation strategies. The risk owner may further delegate the mitigation strategies and action plans down the hierarchy to ensure ground level implementation of the mitigation action plans. The risk owner shall also be responsible for reporting the status of the mitigation plan to the Risk Co-ordinator. For cross-functional risk, a cross-functional team with clear demarcated roles and responsibilities shall be formed to drive implementation of mitigation actions plans and review risk status periodically. Thus, the Company's Risk Management framework is well integrated with the business operations and key executives play a vital role in its implementation upholding its integrity.

4. RISK MANAGEMENT PROCESS

In order to manage risks in a systematic manner, the Company has followed the Enterprises Risk Management Frameworks. This process encompasses all the basic elements of Enterprises Risk Management process steps.

The steps involve in Risk Management process are as follows

- a. **Identify Risks:** Utilize various sources to identify potential risks that could positively or negatively affect the enterprise goals.
- b. **Assess and Prioritize Risks:** Evaluate and assess the potential impacts and likelihood of the identified risks.
- c. **Manage and Respond:** Assign an appropriate risk owner for each of the top enterprise risks. Development and Implementation of plans to respond to these risks.
- d. **Monitor and Report Risks:** Monitoring of key indicators, status and impact of risk treatment plans. Report key information to leadership for informed decision making.

4.1. ASSESSMENT AND PRIORITIZATION

Risks so identified are assessed to classify them as per criticality for the business. This would enable prioritization of risks and decide the right risk management strategies appropriate for the different class of risks. Wherever, applicable and feasible, the risk appetite is also defined, and adequate internal control are installed to ensure that the limits are adhered to.

The process of assessment is based on two parameters - risk impact and risk likelihood. These are rated in terms of High, Medium and Low scales. (Detailed criteria given in

Annexure-II). While prioritizing, risk velocity (which is the speed at which the risk can materialize) is also taken into consideration. Crisis Management plan is defined for risks which have high impact and high velocity.

At the end of the risk assessment and evaluation, top 10 risks at the Company level are then prioritized for monitoring and review by the Ex-Com and Risk Management Committee or periodic basis.

4.2. MANAGE AND RESPOND

Each functional head/unit head is responsible for implementing the mitigation plan for the identified key risks for their relevant area. For every such risk, result and effort metrics are defined with milestones to ensure that the mitigation plans are acted upon and reviewed. Effort metrics refers to specific actions to be taken by the respective function or the organisation. Result metrics are key internal or external indicators which represent the outcome of the efforts on the risk mitigation plan. Milestones are defined for next 3 years for each result metrics wherever feasible. The respective Risk Owner provides status update on the mitigation plan to the risk co-ordinator on at least quarterly basis.

4.3. RISK MONITORING AND REPORTING

The risk co-ordinator works with the respective risk owners to track status of mitigation plan for key risks which is reported to senior management. Status of mitigation of the top 10 strategic and business risks are monitored by the Ex-Com on quarterly basis and RMC on a half yearly basis.

The Ex-Com also conducts a risk review exercise on an annual basis. Risk reviews ensure identifying any new risk, modifying existing risk, scanning external environment for emerging risk and accordingly updating the priority for risks. The Risk Management Committee meets at least twice in a year to review the risk management process and if required revisit the top risks at the company level.

4.3.1. Risk Management Activity Calendar

Forum	Timelines
Board of Director	Annual
Audit Committee	Half Yearly
Risk Management Committee	Bi-annual
Executive Committee of Management	Quarterly
Risk Owners	Quarterly and Ongoing

5. BUSINESS CONTINUITY PLAN

Business Continuity Plans (BCP) are required to be defined for risks corresponding to High Impact and High Velocity to enable rapid response to address the consequence of such risks when they materialize. Business Continuity Planning shall be embedded in the

internal controls and crisis management framework for areas like manufacturing units, sales offices, information technology function, etc. The internal crisis management committee shall be responsible for laying out crisis response mechanism, communication protocols, and periodic training and competency building on crisis management. The crisis management committee shall also conduct periodic disaster recovery mock drills to ensure that the organization is prepared to manage any crisis event quickly for business continuity.

6. BLACK SWAN

A black swan event is an unpredictable event characterized by their extreme rarity, their severe impact, and the widespread insistence they were obvious in hindsight. The Risk Management Committee along with the Ex-Com would annually review the possible black swan events which can have widespread impact on its business operations.

7. POLICY REVISION

Risks are ever changing in this volatile business environment and hence there is a need to periodically revisit the approach towards Risk management. Therefore, this Policy shall be reviewed at least once in two years. Any revision to the Policy shall be incorporated with the approval of Risk Management Committee and Board of Directors.

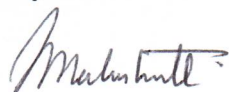
8. DISCLOSURE

This Policy shall be updated on the website of the Company.

9. EFFECTIVE DATE OF POLICY

This policy is adopted by the Board of Directors in its meeting held on **March 10, 2026**.

**For Online Instruments (India) Limited
(Formerly Online Instruments (India) Private Limited)**



Shivanand Mallappa Mahashetti
Managing Director
DIN: 01180544

For Online Instruments (India) Limited

Authorised Signatory

ANNEXURE-I

CHARTER OF THE RISK MANAGEMENT COMMITTEE

PREAMBLE

The SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, requires the Company to constitute a Risk Management Committee (RMC). The Company is required to lay down the risk identification, assessment and minimization process and inform the Board members about the same. The Board is responsible for reviewing and guiding on the risk management policy of the Company while the Audit Committee of the Board shall continue to be responsible for the evaluation of internal controls and risk management systems in the Company. The Board may delegate the monitoring and reviewing of the risk management plan and such other functions as it may deem fit to RMC and such functions shall specifically cover cyber security risk.

1) Primary Objectives

RMC is a committee constituted by, and accountable to, the Board of Directors ('Board') of Online Instruments (India) Limited (Formerly Online Instruments (India) Private Limited) ('Online' or 'Company'). RMC shall assist the Board in monitoring and reviewing: -

- the risk management plan;
- the implementation of the risk management framework of the Company;
- review material risks applicable to the Company;
- the cyber security and personal data protection risk of the Company and;
- such other functions as the Board may deem fit, from time to time.

2) Composition

The Committee shall comprise of the following members: -
Independent/Non-Independent Director - Chairman
Independent Director - Member (If Chairman is Non-Independent Director)
Director/Sr. Management Person - Member

Permanent invitees to RMC
- Chairman of the Board
- All other members of the Top Leadership Team (Executive Committee)

3) Quorum

The quorum necessary for transacting business at a meeting of RMC shall be one third of the total strength of RMC or two members, whichever is higher, including at least one Director in attendance. Participation of the members by video conferencing or by other audio-visual means shall also be counted for the purposes of quorum at a meeting of RMC.

4) Meetings & Reporting

- a) RMC shall meet at least twice in a given financial year with a gap of not more than 180 days between 2 such meetings. If required, the Chairman of RMC may call for additional meetings of RMC.
- b) All or any members of RMC may participate in a meeting by video conferencing or by other audio-visual means. A member so participating is deemed to be present in person at the meeting and shall also be counted for the purpose of quorum at a meeting of RMC;
- c) The Secretary to RMC shall be responsible, in conjunction with the Chairman of RMC, for compiling and circulating the agenda and papers to the meeting.
- d) Formal decisions shall be made by a simple majority, in case of equality of votes the Chairman of the meeting shall have a casting vote.
- e) The Secretary to RMC shall prepare minutes of all meetings of RMC and shall promptly circulate the same to RMC and the Board for their consideration.
- f) RMC shall report the outcome of all its meetings to the Board periodically. RMC shall work closely with the Audit Committee in assessing the risk management system of the Company.

5) Responsibilities & Authority of the Committee

- a) To formulate a detailed risk management policy which shall include the following and recommend the same to the Board for its approval:
 - (a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks, reputational 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; and
 - (c) Business continuity plan.
- b) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.

- c) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
- d) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company, which shall include:
 - o Defining the calendar for reviews of existing risks of every function/ business unit with the objective to refresh the prioritized risks at defined periodicity.
 - o Reviewing the top 10 risks of the Company at defined periodicity.
 - o Refreshing at defined intervals the top risks at the group level so that the Board can refresh the risk review calendar.
 - o Ensuring that the calendar defined by the Board for review of the top 10 risks of the Company is adhered to.
- e) To ensure risk assessment and mitigation procedures are implemented which shall include:
 - o formulating measures for risk mitigation including systems and processes for internal control of identified risks;
 - o ensuring Business continuity plan and crisis Management Framework;
 - o being aware and concurring with the Company's risk appetite including risk levels, if any, set for financial and operational risks;
 - o ensuring that the Company is taking appropriate measures to achieve prudent balance between risk and reward in both on going and new business activities;
 - o being apprised of significant risk exposures of the Company and whether management is responding appropriately to them in a timely manner.
 - o while reviewing the top risks at function/business unit/Company level, critically examine whether the mitigation plans as agreed are on track or not and whether any interventions are required.
- f) RMC shall have access to any internal information necessary to fulfil its oversight role. It shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.

- g) RMC shall recommend appointment, removal, and fixing of the terms of remuneration payable to the Chief Risk Officer (if any).
- h) RMC shall have powers to seek information from any employee, obtain external legal or other professional advice and secure attendance of outsiders with relevant expertise, as it deems necessary.

6) Evaluation

- a) RMC may conduct a performance evaluation relative to its purpose, duties, responsibilities and effectiveness and recommend, any changes, it considers necessary for the approval of the Board.
- b) The Board may critique such evaluation done by RMC basis the performance and suggest suitable changes to improve effectiveness. The Board shall ensure that RMC is functioning in accordance with its Charter.
- c) RMC may conduct such evaluation and reviews at such intervals and in such manner as it deems appropriate.

7) Review of RMC Charter

The adequacy of RMC charter shall be reviewed and reassessed by the Board at such intervals as it may deem appropriate.

ANNEXURE -II

RISK ASSESSMENT CRITERIA

Risk assessment requires grading of risk on two-dimensional scales: Risk Impact and Risk Likelihood. Matrix for each of these are given below:

Risk Impact Matrix: Risk impact is measured in terms of financial and non-financial parameters and classified as below:

Impact Category	Financial Impact (% to Revenue)	Non-Financial Impact (Qualitative)
High	>5%	Significant impact on business continuity, Market Share, Reputation, Criminal liability, or stringent penalties.
Medium	2-5%	Moderate/Short term impact on business continuity, Market Share, Reputation and High Financial penalties.
Low	<=2%	Relatively insignificant or limited impact on business continuity, Market share, reputation and financial penalty.

Risk Likelihood Matrix: Risk likelihood is measured by probability of occurrence of risk event and classified as below:

Likelihood Category	Probability (%)	Description
High/Likely	>80%	Almost inevitable, will become routine feature
Medium/Possible	>40%	Probable, can happen in near future
Low/Unlikely	<=40%	Less probable, can happen over longer team