

Manipal Hospitals Private Limited
RISK MANAGEMENT POLICY

1. DEFINITIONS AND INTERPRETATION

Definitions

“**Board**” shall mean the board of directors of the Company;

“**Committee**” or “**Risk Management Committee**” shall mean the committee constituted in accordance with Regulation 62D and 62I of SEBI Listing Regulations;

“**Companies Act**” shall mean Companies Act, 2013 and rules made thereunder, as amended from time to time;

“**Company**” shall mean **Manipal Hospitals Private Limited**;

“**Director**” shall mean a director on the Board;

“**Independent Director**” shall mean an independent director on the Board;

“**Policy**” shall mean this Risk Management Policy;

“**SEBI Listing Regulations**” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Interpretation

All other words and expressions used but not defined in this Policy, but defined in the Securities and Exchange Board of India Act, 1992, the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be. In any circumstance where the terms of this Policy are inconsistent with any existing or newly enacted law, rule, regulation or standard governing the Company, the said law, rule, regulation or standard will take precedence over this Policy.

2. BACKGROUND

This Policy is adopted in accordance with Regulation 62D and 62I of the SEBI Listing Regulations, as well as Section 134(3)(n) and other applicable provisions of the Companies Act. It serves to facilitate the proactive identification, assessment, and management of risks in accordance with the Company’s business objectives. Further, this Policy establishes and implements a robust risk management framework, and stipulates regular reporting to the Board on the framework’s performance and any associated exceptions.

3. OBJECTIVE

1. This Policy sets forth a comprehensive framework for effective risk management, as mandated by the Companies Act and in accordance with the SEBI Listing Regulations. Through this Policy, the Company aims to implement a robust mechanism for the periodic identification, reduction, mitigation, and management of potential risks.

2. The objectives of this Policy include:

- To establish clear accountability and ownership of risks;
- To clearly identify risk exposures;
- To integrate risk management into the Company's culture; and
- To document and monitor various risk triggers that may affect the Company's performance/operations.

4. **PRINCIPLES OF RISK MANAGEMENT**

Below are the fundamental principles of this Policy:

Accountability

- Risks are required to be identified, assessed, and managed by each business unit that assumes them.
- The nature of risks must be understood by all employees, and responsibility for those risks is expected to be accepted.

Guidance and Oversight

- The Risk Management Committee shall guide the Company and its officials on the management of risks.
- The Risk Management Committee shall periodically review this Policy and monitor risk exposures.
- The Risk Management Committee shall ensure maintenance of risk exposures within Board-approved risk appetite parameters.

Internal Audit

- The Company shall periodically conduct internal audits to verify the adequacy and effectiveness of the Company's risk management processes.

External Review

- Periodic reviews and assessments of the Company's risk profile and associated controls shall be conducted by external parties, including statutory auditors of the Company.

Integration

- Risk management shall be incorporated into all organisational activities, influencing both strategic and day-to-day decision-making.
- A consistent methodology shall be employed for gathering and evaluating risk information, ensuring comparable results across different business units.
- A proactive approach, embedded within business processes, is encouraged, which is supported by regular self-assessments.

Customisation and Improvements

- The Company shall periodically review internal and external changes (e.g., market variations, regulatory updates) to maintain an effective risk management framework.
- Risk management remains a continuous exercise, evolving with lessons learned from past experiences and ongoing feedback.

Best Available Information

- Decision-makers within the Company at all levels shall receive guidance, tools, and analytics to understand and address current and emerging risks.

Human and Cultural Factors

- The Company takes human behaviour into account, recognizing it can significantly influence risk identification and response practices.

The Company fosters a culture of risk transparency, encouraging prompt identification, open discussion, and constructive reporting of risks. Emphasis is placed on promoting proactive communication among all levels and functions.

5. RISK IDENTIFICATION AND MITIGATION

Effective risk management involves identifying, assessing, mitigating, monitoring, and reporting risks. These also draw on Board-approved policies to formalise the Company's approach to risk. Set below is the procedure for identifying and mitigating such risks:

5.1. Identification and Assessment

- Risks shall be identified by examining both internal and external contexts.
- A self-assessment process shall be implemented to ensure that all relevant risks are systematically documented, and such process shall weigh criteria such as severity, probability of occurrence, and the strength of existing controls.

5.2. Mitigation and Monitoring

Appropriate mitigation methods (such as acceptance, avoidance, transfer, or control) shall be selected risks shall be monitored to ensure alignment with the Company's risk appetite. Key risk indicators shall be periodically reviewed against operational and financial thresholds by all relevant decision-makers in their respective roles, and further by the Committee.

6. RISK MANAGEMENT FRAMEWORK AND ROLE OF THE RISK MANAGEMENT COMMITTEE

6.1. Constitution of the Committee

- The Committee shall be established by the Board and shall have a minimum of three members with a majority of them being members of the Board, including at least one Independent Director.
- The chairperson of the Committee shall be a Director and the senior executives of the Company may be members of the Committee.

- The Committee shall meet at least twice in a financial year, and on a continuous basis, not more than 210 days shall lapse between any two consecutive meetings.
- The quorum for a meeting of the Committee shall be either two members or one-third of the members of the Committee, whichever is higher, including at least one Director.

6.2. Role of the Committee

- Policy formulation and review:
 - The Committee may, at its discretion and within the framework of this Policy, establish a policy or set-up for identifying internal and external risks (financial, operational, sectoral, sustainability-related (particularly ESG related risks), information, cyber security, and others), measures to mitigate those risks, and a business continuity plan.
 - The Committee shall review the adequacy of this Policy at least once every two years, taking into account evolving regulatory landscape, industry trends, complexities, and sectoral developments.
- Risk identification, monitoring and mitigation:
 - The Committee shall review the implementation of this Policy and evaluate the adequacy of risk management systems.
 - The Committee shall review and finalise the risk tolerance and appetite levels, including inherent, residual and contingent risks.
- Information to the Board:
 - The Committee shall regularly apprise the Board of the recommendations discussed in its meetings, and actions taken by it. Major decisions affecting the organisation-wide risk profile shall also be communicated promptly to the Board.
 - The Committee shall provide a report to the Board of Directors on a bi-annual basis, that includes:
 - Key risks identified and their potential effects on the Company and its stakeholders.
 - Measures adopted or proposed by the Committee to mitigate and manage those risks.
 - An outlook highlighting forthcoming or emerging risks in the next quarter.
- The Committee may also periodically liaise with the audit committee of the Board to address any financial or compliance risks identified.
- The Committee may consult any employee, obtain external expertise or professional advice, and coordinate with other committees, as necessary for performing its functions, or to determine the relevance and levels of risk.

- The Committee may recommend the appointment, removal, and terms of remuneration for a Chief Risk Officer (if required), to the Board.
- The Committee shall comply with the roles and responsibilities prescribed under Para C, Part D of Schedule II of the SEBI Listing Regulations.

6.3. Risk assessment and prioritization:

- Recognised risks shall be assessed based on impact severity, likelihood, and velocity. Risks with high impact and high velocity shall be prioritized for immediate mitigation and crisis planning. An overall risk appetite is required to be defined where feasible, alongside controls to ensure that the Company remains within its tolerance. Periodic review of the top risks shall be carried out, and the top risks, as identified by the Committee, shall be tracked at the Company level by the Committee on a regular basis.

6.4. Risk mitigation and internal controls

- The Company shall implement the following safeguards and processes to protect the Company from major identified risks:
 - **Training and awareness programmes:** The Company shall periodically conduct risk management workshops for directors, key managerial personnel, employees, consultants, and relevant associates.
 - **Linkage to planning and audit:** Risk management processes shall be linked to strategic planning and internal audit efforts to ensure coherence and consistent oversight.
 - **IT Security and cybersecurity measures:** The Company shall perform regular vulnerability assessments, maintain network and data security, and ensure that software patches are installed promptly.
 - **Audits and budgetary controls:** Critical processes and transactions shall be examined through periodic internal audits; budgetary and expense approvals shall be subject to appropriate levels of scrutiny, as may be required in the opinion of the Committee, and in terms of the other policies as may be implemented by the Board from time to time.
 - **Insurance coverage:** The Company shall ensure adequate insurance coverage to mitigate specified exposures.

7. BUSINESS CONTINUITY PLAN

The Company, as guided by the Committee, shall develop and implement business continuity plans for potential risks and impacts. These plans shall establish crisis response mechanisms, define communication protocols, and rely on periodic training, among other things.

8. EFFECTIVE DATE

This Policy shall come into effect from February 12, 2026 .

9. AMENDMENT AND REVIEW

Subject to applicable laws, the Board may amend, suspend or rescind this Policy at any time. Any issues pertaining to the Policy shall be resolved by the Board in line with the broad intent of the Policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy.

In the event of any conflict between the provisions of this Policy and any applicable laws, such applicable law in force, shall prevail over this Policy.
