

## RISK MANAGEMENT POLICY

The Board of Directors of VEEDOL CORPORATION LIMITED [*formerly Tide Water Oil Company (India) Limited*] (hereinafter referred to as ‘the Company’) has adopted Risk Management Policy to set forth the procedures for an effective risk management process of the Company.

At the Company, we believe that an effective Risk Management process is the key to sustain operations, thereby protecting the Shareholder value, improving governance process, achieving strategic objectives and being well prepared for adverse situations or unplanned circumstances, if they were to occur in the lifecycle of the business activities. The Company shall ensure implementation of effective Enterprise Risk Management by:

1. Putting in place Risk Management Frameworks and Processes.
2. Identifying risks and promoting a pro-active approach to treating such risks.
3. Allocating adequate resources to mitigate and manage risks and minimize their adverse impact on outcomes.
4. Optimizing risk situations to manage adverse exposure on deliverables and bring them in line with acceptable Risk Appetite of the Company.
5. Striving towards strengthening the Risk Management System through continuous learning and improvement
6. Providing clear and strong basis for informed decision making at all levels of the organization on an ongoing basis, having duly evaluated like risks and their mitigation plan being controllable and within risk appetite.
7. Delineating Business Continuity Processes and Disaster Management Plans, for unforeseen exigencies and keeping the organization constituents, prepared to appropriately and adequately deal with such circumstances, under eventuality of such happenings.
8. Complying with all relevant laws and regulations across its areas of operation.
9. With regard to cyber security, techniques to protect the integrity of networks, software, programs and data from attack, damage and unauthorized access should be reviewed periodically.
10. Communicating this policy to the required stakeholders through suitable means and periodically reviewing its relevance in a continuously changing business environment.

## RISK ASSESSMENT:

To meet the objectives of the Company, the Management shall consider expected and unexpected events, pursuant to which it is imperative to make effective strategies. Accordingly, the Company has identified key risks and developed plans for managing the same.

## 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. Risks may be structured as follows for the purpose of their identification and evaluation:

Scope of Risk	Qualitative description of events with size, type, number etc.
Nature of Risk	Strategic, Operational, Financial, Hazard
Quantification of Risk	Significance & Probability
Risk Tolerance	Loss Potential & Financial Impact of Risk
Risk Treatment & Control Mechanism	Monitoring & Review
Potential Action for Improvement	Recommendations to Reduce Risk

Material Risks on which the Company presently focuses can be broadly subdivided into Internal and External Risks and may comprise of the following:

### INTERNAL RISKS:

#### Financial Risk:

The financial risks relate to adequate liquidity for routine operations, availability of funds for expansions, etc. Financial Risk also includes risks arising out of foreign exchange fluctuations, financial leverages, sudden unavoidable change in expenditure patterns, timely settlement of dues by dealers/customers, blockage of funds, provisions, change in taxation policies, change in interest rates, etc.

#### Operational Risk:

This includes risk associated with broad market trends and other factors beyond the Company's control significantly affecting demand of products and in turn resulting in having adverse on its business, financial condition and results of operations.

#### Sectoral Risk:

The Sectoral risk refers to the influence of industry variables such as demand-supply outlook, input risk, input cost fluctuation, competition, utilisation levels along with the impact of government regulations and policies on the Company.

#### Sustainability Risk:

This includes environment, social, and governance (ESG) risk which essentially are non financial risks arising from the environment and sustainability, reputation or brand, legal, technological, environment pollution prevention, product or service quality, labour, ethical conduct, compliance, and strategic considerations.

#### Technological Risks and Cyber Security Risk:

The Company strongly believes that technological obsolescence is a practical reality which can result to financial loss, disruption or damage to the reputation of the Company. Cyber risk is a subset of technology risk, which can also have adverse effect on business and operations of the Company.

### EXTERNAL RISKS

The Company has identified various other external risks which are typical to the industry viz. market risk, product liability risk, product failure risk, research and development risk, credit risk, inventory risk, manpower risk, regulatory and compliance risk and capacity utilization risk.

### RISK MITIGATION

To mitigate the aforesaid risks an enterprise wide and comprehensive view is taken of risk management to address inherent risks and their resulting organizational impact. The Senior Management of the Company periodically reviews the risk management framework to maintain its contemporariness so as to effectively address the emerging challenges in a dynamic business environment. This involves all functions in the overall risk identification and mitigation exercise which includes linking of the risk management process and measures to the strategic planning and internal audit process. The properties of the Company are insured against natural risks, like fire, flood, earthquakes, etc. with periodical review of adequacy, rates and risks covered under professional advice. Further the Risk Management Committee has access to all information necessary to fulfill its responsibilities and also has the powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

## BUSINESS CONTINUITY PLAN (BCP)

The Company has a framework in place which ensures that personnel and assets are protected and are able to function quickly in the event of any contingent situation. The BCP has been framed after due consideration as to how various risks will affect operations, safeguards and procedures in place to mitigate the risks, testing procedures and reviewing processes. The Business Continuity Plan may be reviewed and amended by the Risk Management Committee.

## AMENDMENTS

The Board of Directors can amend this Policy, as and when deemed fit. Any or all provisions of this Policy are subject to revision/ amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities found inconsistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions of this Policy and as such the Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.