

RISK MANAGEMENT POLICY

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RUBICON RESEARCH LIMITED

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SIGNATORIES

Version	Prepared by	Reviewed by	Approved by
1.0	Mr. Nitin Jajodia, Chief Financial Officer	Mr. Parag Suganchand Sancheti, Executive Director & CEO	Board of Directors

VERSION CONTROL

Version	Date	Description	Description of Changes
1.0	September 11, 2025	Risk Management Policy	New Policy

1. BACKGROUND & RISK MANAGEMENT POLICY SUMMARY

The Risk Management Policy (**hereinafter referred to as “the Policy / this policy”**) aims to articulate the approach of the Rubicon Research Limited (**“Company”**) towards management and mitigation of various risks faced by the firm.

Our business is exposed to a wide range of risks. Hence, management and mitigation of these risks is key to ensure long term sustainability of the firm and to safeguard the interest of its clients and stakeholders.

Section 134(3) of the Companies Act, 2013 (**“Act”**) requires a statement to be included in the report of the board of directors of a company 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 of Directors of a Company, may threaten the performance and existence of the Company.

Further, Regulation 21 read with Regulation 4(2)(f)(ii), Regulation 17(9), Regulation 18(3), Clause A (11), Part C of Schedule II and Clause C, Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“LODR”**) require that companies set out procedures to inform the board of directors of the company of risk assessment and minimization procedures

Accordingly, the Board of Directors of the Company (**“Board of Directors”**) has adopted the Risk Management Policy for the purpose of risk management and mitigation.

2. SCOPE, OBJECTIVE & DEFINITIONS

The policy aims to provide an overarching framework for the effective management of risk as required by the Act and in line with LODR. Through this Policy, the Company intends to establish a robust framework for identification, assessment, measurement, monitoring and mitigation of risks that the Company may be subject to.

The Policy shall broadly apply to all individual business sub- units, operational units, smaller divisions and geographical locations of the Company or its branches and subsidiaries. This policy shall be reviewed annually.

Some commonly used terms have been defined below for ease of understanding of various key aspects of this policy.

Broad based meaning of ‘risk’:

In commonly understood terms, risk is linked to the probability that any negative or undesirable outcome could occur. Risk could have two major dimensions: the probability of occurrence of a loss event and the severity or quantum of such loss upon occurrence of the loss event. Risk also denotes and involves some degree of uncertainty. Hence, risk, broadly is the effect uncertainty may create on certain business objectives.

Risk Management:

Risk management broadly includes the ongoing identification, measurement, assessment, prioritization, and mitigation of risks followed by integrated and strategic application of relevant resources to minimize, monitor and control the probability or impact of adverse or negative events from occurring.

Risk Identification:

Risk identification is a part of the risk management process, whereby risks are systematically identified, recorded, determined, and adequately described.

Risk measurement:

Once risks are identified using above process, risks are measured using quantitative, qualitative, or other methods for estimating the likelihood of occurrence and severity upon occurrence.

Risk mitigation:

Risk mitigation is done using controls, by preventing the risk from occurring, by transferring the risk involved or by using methods to reduce the amount of risk involved. Risk mitigation involves implementing such controls, to reduce the level of risk, or prevent such risk from occurring and eventually accepting a certain level of residual risk provided the risk itself has been properly mitigated through controls.

Risk monitoring:

Involves periodic measurement and observing how risks are evolving and checking if controls are functioning as well as observing the risk reports for any trends in the risks identified

Risk owners:

The risk owners are those who are primarily responsible for identifying, assessing, measuring and monitoring risks. These risk owners would be part of the first line of defence and may primarily include the functional units or operational business units, technology teams, branches, sales teams etc.

3. RISK GOVERNANCE

The Board of Directors of the Company (“**Board**”) has constituted a committee, namely, the Risk Management Committee (“**RMC**”), with the overall responsibility of providing guidance for risk management across the Company in line with the regulatory requirements and in line with the terms of reference of the Risk Management Committee. The RMC shall provide guidance to the Company with respect to risk management.

The terms of reference of the RMC are as given below:

- a. To formulate a detailed risk management policy which shall include:
 - i. A framework for identification of internal and external risks specifically faced by the company, in particular including financial, operational, regulatory, sectoral, sustainability (particularly, environment, social and governance related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - ii. Measures for risk mitigation including systems and processes for internal control of identified risks;
 - iii. Business continuity plan.
- b. To review the Risk Management Policy annually, including by considering the changing industry dynamics and evolving complexity. The policy could also be reviewed upon any significant changes to the risk environment.

- c. To monitor and oversee implementation of the Risk Management Policy implementation of the risk management policy, including any guidance towards evaluating the adequacy of risk management systems;
- d. To ensure that appropriate methodology, processes and systems are in place to identify, measure, monitor and mitigate risks associated with the business of the Company;
- e. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- f. In addition to the Nomination and Remuneration Committee (NRC), the RMC could review the appointment, removal and terms of remuneration of the Chief Risk Officer (“CRO”). The RMC could also be kept in loop by the NRC with reference to the above. The terms with reference to LODR would be applicable here.
- g. The Risk Management Committee shall have 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;
- h. The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board; and
- i. Such terms of reference as may be prescribed under the Act and the LODR.

4. RISK IDENTIFICATION

The purpose of framework of Risk identification is to identify the events that can have an adverse impact on the achievement of the business objectives. All Risks identified are documented and shall include internal and external risks including financial, operational, sectoral, sustainability (particularly ESG related risks), information, cybersecurity risks or any other risks as may be determined. Risk documentation shall include risk description, category, classification, mitigation plan, responsible function / department.

The head of the respective departments within the Company shall be responsible for implementation of the risk management system as may be applicable to their areas of functioning and report to the Risk Management Committee.

Risk is an integral and unavoidable component of any business and the Company is committed to manage various risks in a proactive and effective manner.

The Risk Management Committee will review and monitor various risks identified, based on their impact and significance. The Risk Management Committee will also suggest the action plans to mitigate critical risks, whereas the risks that are not significant enough shall be dropped for further attention. The objective is to reduce the loss or injury arising out of various risk exposures.

5. RISK MEASUREMENT

Risk measurement involves quantification of the impact of Risks to determine potential severity and probability of occurrence. Each identified Risk is assessed on two factors which determine the Risk exposure:

- A. Impact if the event occurs
- B. Likelihood of event occurrence

Risk Categories: It is necessary that Risks are assessed after taking into account the existing controls, so as to ascertain the current level of Risk. Based on the above assessments, each of the Risks can be categorized as – low, medium and high.

The following are the broad areas to determine the various risks, their probability and available data in the public domain:

- a) Economic conditions,
- b) Environment related risks,
- c) Market related risks,
- d) Fluctuations in foreign exchange based on the exposures,
- e) Political developments and likely changes in major policies of the Government,
- f) Inflation and cost structures,
- g) Technological obsolescence,
- h) Financial reporting risks,
- i) Corporate accounting fraud,
- j) Legal risks, includes compliance with local laws, rules and regulations,
- k) Challenges to the quality of products,
- l) Project quality, implementation and delayed commissioning,
- m) Human Resources Management, local cultures and values,
- n) Cyber Security risk.

6. RISK MONITORING

The Company shall record the framework and processes for effective identification, monitoring, mitigation of the Risks. The Audit Committee shall be responsible for the evaluation of internal financial controls and Risk Management systems.

Risk Management Committee to review the Risks at least once a year and add any new material Risk identified to the existing list considering changing industry dynamics and evolving complexity. These will be taken up with respective functional head for its mitigation. The Risk Management Committee shall ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company. The Risk Management Committee shall monitor and oversee implementation of the Policy, including evaluating the adequacy of Risk Management systems periodically review the Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity. The Risk Management Committee shall also keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken in relation to the Risks.

Appraised by the Risk Management Committee to Board on an annual basis including recommendations made by the Committee and actions taken on it.

The Risk Management Committee shall coordinate its activities with other committees in instances where

there is any overlap with activities of such committees as per the framework laid down by the Board of Directors. Further, the Committee shall review appointment, removal and terms of remuneration of Chief Risk Officer, if any.

7. RISK MITIGATION

The following framework shall be used for implementation of Risk Mitigation:

All identified Risks should be mitigated using any of the following Risk mitigation plan:

- I. Risk avoidance: By not performing an activity that could carry Risk. Avoidance may seem the answer to all Risks but avoiding Risks also means losing out on the potential gain that accepting (retaining) the risk may have allowed.
- II. Risk transfer: Mitigation by having another party to accept the Risk, either partial or total, typically by contract or by hedging / Insurance.
- III. Risk reduction: Employing methods/solutions that reduce the severity of the loss e.g. concreting being done for preventing landslide from occurring.
- IV. Risk retention: Accepting the loss when it occurs. Risk retention is a viable strategy for small Risks where the cost of insuring against the Risk would be greater than the total losses sustained. All Risks that are not avoided or transferred are retained by default.
- V. Develop systems and processes for internal control of identified risks.
- VI. Business continuity plan

8. REVIEW AND AMENDMENT

- a. Notwithstanding anything contained in this policy, the Company shall ensure compliance with additional requirements as may be prescribed under applicable laws either existing or arising out of any amendment to such applicable laws or otherwise and applicable to the Company from time to time;
- b. This Policy is intended to be in conformity with the LODR and the Act as on the date of its adoption. However, if due to subsequent modifications in the LODR, the Act or any other applicable law, a provision of this Policy or any part thereof becomes inconsistent with the LODR, the Act or any other applicable law, then the provisions of such laws, as modified, shall prevail.

9. EFFECTIVE DATE

This Policy shall be made enforceable immediately on listing of equity shares of the company on any stock exchange.

10. CONTACT

For queries related to this Policy, please contact:

Chief Risk Officer

Rubicon Research Limited

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