

RISK MANAGEMENT POLICY

CALIFORNIA SOFTWARE COMPANY LIMITED

1. PREAMBLE

This Risk Management Policy has been formulated by California Software Company Limited in accordance with the Companies Act, 2013, SEBI LODR Regulations, applicable Secretarial Standards, and corporate governance best practices.

2. OBJECTIVES

- Establish enterprise-wide risk management framework
 - Identify and evaluate key business risks
 - Enhance business resilience and continuity
 - Ensure regulatory compliance
 - Protect stakeholder interests and Company assets
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3. APPLICABILITY

This Policy applies to the Board of Directors, Risk Management Committee, Audit Committee, KMPs, Senior Management Personnel, and all business functions of the Company.

4. DEFINITIONS

Risk: Possibility of occurrence of events adversely affecting business objectives.

Risk Management: Process of identifying, monitoring, mitigating, and reporting risks.

Enterprise Risk Management: Organization-wide structured risk management approach.

Risk Appetite: Level of risk acceptable to the Company.

5. RISK MANAGEMENT FRAMEWORK

- Risk Identification
 - Risk Assessment
 - Risk Prioritization
 - Risk Mitigation
 - Risk Monitoring
 - Risk Reporting
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6. ROLE OF THE BOARD

- Approve the Risk Management Policy
 - Review significant risks
 - Ensure adequacy of internal controls
 - Promote risk awareness and governance culture
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7. ROLE OF RISK MANAGEMENT COMMITTEE

- Assist the Board in risk oversight
 - Monitor risk mitigation plans
 - Review cybersecurity and operational risks
 - Evaluate business continuity preparedness
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8. ROLE OF AUDIT COMMITTEE

- Review internal financial controls
 - Monitor compliance and audit risks
 - Assess effectiveness of internal audit systems
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9. ROLE OF MANAGEMENT

- Identify operational risks
 - Maintain risk registers
 - Implement mitigation measures
 - Report material risks to management and Board
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10. RISK IDENTIFICATION

- Strategic risks
 - Operational risks
 - Financial risks
 - Technology and cybersecurity risks
 - Compliance and regulatory risks
 - Reputational risks
 - ESG and sustainability risks
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11. RISK ASSESSMENT

Risks shall be evaluated based on probability, severity of impact, financial exposure, operational disruption, and reputational consequences.

12. RISK MITIGATION

- Internal controls
 - Cybersecurity safeguards
 - Insurance coverage
 - Compliance monitoring
 - Disaster recovery systems
 - Employee awareness programmes
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13. CYBERSECURITY & TECHNOLOGY RISKS

The Company shall implement controls for cybersecurity, cloud infrastructure protection, AI platform risks, data privacy, malware prevention, and disaster recovery.

14. BUSINESS CONTINUITY & DISASTER RECOVERY

The Company shall maintain business continuity and disaster recovery plans for critical operations and customer data protection.

15. COMPLIANCE & REGULATORY RISKS

The Company shall establish systems to ensure compliance with Companies Act, SEBI Regulations, taxation laws, data privacy laws, labour laws, and applicable regulations.

16. INTERNAL CONTROLS

The Company shall maintain adequate internal controls to safeguard assets, prevent fraud, ensure accurate reporting, and support operational efficiency.

17. RISK REPORTING

Material risks and mitigation status shall be periodically reported to the Board, Audit Committee, and Risk Management Committee where applicable.

18. TRAINING & RISK AWARENESS

The Company may conduct training programmes on cybersecurity, fraud prevention, compliance, and business continuity management.

19. REVIEW OF POLICY

This Policy shall be periodically reviewed by the Board, Risk Management Committee, Audit Committee, and Senior Management.

20. AMENDMENT OF POLICY

The Board may amend this Policy based on regulatory amendments, governance requirements, or business needs.

21. DISCLOSURES

The Company shall make appropriate disclosures relating to risk management in Annual Reports, Corporate Governance Reports, and stock exchange filings where applicable.

22. EFFECTIVE DATE

This Policy shall come into effect upon approval by the Board of Directors of California Software Company Limited.

APPROVAL

Approved by the Board of Directors of California Software Company Limited.

Date: APRIL 10, 2026

Place: Chennai, Tamil Nadu, India

Chairman / Managing Director
Authorized Signatory