

Wonderla Holidays Limited Risk Management Policy

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Initiated by	Company Secretary
Authorised by	Board of Directors
Policy Contents - Main Policy	15 Pages
Annexures	Nil
Revision No. & date of revision	

Introduction

This policy is an attempt to identify, reduce and prevent undesirable incidents or outcomes and to review past incidents and implement changes to prevent or reduce future incidents in the day to day operations of Wonderla Holidays Limited. This involves reviewing operation in detail, identifying potential risks and likelihood of their occurrence and documenting the techniques to avoid, mitigate the potential risks or reduce their impact.

1. Preface

1.1. Sub-clause VI of Clause 49 of the Listing Agreement between listed companies and the Stock Exchanges states as under.

“The company shall lay down procedures to inform Board members about the risk assessment and minimization procedures. The Board shall be responsible for framing, implementing and monitoring the risk management plan for the company.

The company through its Board of Directors shall constitute a Risk Management Committee. The Board shall define the roles and responsibilities of the Risk Management Committee and may delegate monitoring and reviewing of the risk management plan to the Committee and such other functions as it may deem fit.

The majority of Committee shall consist of members of the Board of Directors. Senior executives of the company may be members of the said Committee but the Chairman of the Committee shall be a member of the Board of Directors.”



2. Risk Management and disclosure in Board's report.

The Board, its Audit Committee and executive management should collectively identify the risks impacting the Company's business and document the process of risk identification, risk minimization, risk mitigation as part of a risk management policy or strategy.

The Board of Directors shall include a statement 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 may threaten the existence of the Company.

2.1. Risk strategy

Company recognizes that risk is an integral and unavoidable component of the business and is committed to manage the risk in a proactive and effective manner.

The Company believes that risk cannot be completely eliminated. However it can be:

- Reduced by having good internal controls
- Transferred to third parties who are willing to take the risk.
- Avoided by not entering into high risk ventures.
- Shared, by following a middle path between retaining and transferring risk.

2.2. Risk Management Framework


An objective must be in place before management can identify potential events affecting their achievement. Enterprise risk management ensures that management has in place a process to set objective and that the chosen objectives support and align with the entity's mission and are consistent with its risk appetite.

The objective of the Company can be classified into:

Strategic

- Organizational growth.
- Expanding presence in the existing markets and penetrating to new geographies.
- Continue to enhance domain expertise.

Operational

- Consistent increase in footfall.
 - Consistent increase in profit and profitability
 - Enhance customer satisfaction.
 - Continuously improve quality and safety.
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Reporting

- Maintain high standards of Corporate Governance and public disclosures

Compliance

- Ensure strict adherence to policies, procedures and laws/ rules/ regulations/ standards.

Risk always results as consequence of an activity or non-activity. Risk management and monitoring are important in recognizing and controlling risks.

Risk mitigation is an exercise aiming to reduce the loss or injury arising out of various risk exposures. The company adopts systematic approach to mitigate risks associated with accomplishment of objectives, operations, reporting and compliance. We believe that this would ensure mitigating risks proactively and help to achieve stated objectives.

The Company has constituted Risk Management Committee under the Chairmanship of Managing Director Mr. Arun K Chittilappilly. The other members of the Committee are Ms. Priya Sarah Cheeran Joseph, Executive Director, Mr. George Joseph, Non Executive Chairman, Mr. Sivadas M, Senior General Manager and Mr. Nandakumar T, V.P. Finance.

We consider activities at all levels of the organizations Viz, Enterprise level, Branch level, Business unit level in the risk management framework. All these components are interrelated and drive the enterprise wide risk management with focus on three key elements viz.,

1. Risk Assessment
2. Risk monitoring and
3. Risk Management

Risk Assessment

Risks are analyzed, considering likelihood and impact, as a basis for determining how they should be managed.

Risk Assessment consists of a detailed study of threats and vulnerability and resultant exposure to various risks.

To meet the stated objectives, effective strategies for exploiting opportunities are to be evolved and as a part of this, key risks are identified and plans for managing the same are laid out.

Risk Monitoring and Risk Management

In the management of Risk, the probability of risk assumption is estimated with available data and information and appropriate risk treatments worked out in the following areas:

i. Safety and Hygiene

Wonderla is committed to safeguard the health and safety of all of its employees, visitors and contractors. In order to meet this commitment and comply with relevant OHS legislation, a Safety and Hygiene Plan (SHP) has been developed to manage the actual and potential hazards associated with normal park operations and any other activities relating to the operations of the functions and entertainment venues within the park precinct.

The SHP has been developed in accordance with the organizations risk management procedures and comprises the following steps:

- a. Hazard identification
- b. Risk assessment as per risk matrix
- c. Identification and implementation of control measures
- d. Monitoring and review of SHP

Risk Matrix

Consequences	Very Likely	Likely	Unlikely	Very Unlikely
Kill or cause permanent disability or ill health	1	1	2	3
Long term illness or serious injury	1	2	3	4
Medical attention and several days off work	2	3	4	5
First Aid needed	3	4	5	6
Numbers show you how important it is to do something		1 = Top Priority = requires immediate attention. 6 = Low Priority = may not require immediate attention.		

Safety and Hygiene Plan

Hazard	Potential risks	Control measures
Slip and Trips Hazards such as uneven floors, trailing cables, equipment, wet surfaces	<ul style="list-style-type: none"> • Potential for falls and injuries. • Damage to personal property. 	<ul style="list-style-type: none"> • Park surfaces are even and free of obstacles. • Floors, steps and stairs have been treated with anti slip paint/materials. • Any spills reported are immediately cleaned by roaming stewards. • Wet floor warning signs to warn



		<p>public of any wet surfaces.</p> <ul style="list-style-type: none"> • Any obstacle/ hazard immediately removed by roaming stewards or isolated with the use of barricades.
<p>Vehicle movement on site including delivery trucks, forklifts and other Elevated Work Platform (EWP) vehicles</p>	<ul style="list-style-type: none"> • Injuries to pedestrians • Death • Property damage 	<ul style="list-style-type: none"> • All vehicles must contact the security control office and obtain permission to access the site prior to arrival. • Delivery and maintenance vehicles must exit park by 10.30 am (prior to park opening hours). • All drivers/ contractors to be inducted in and to comply with Traffic management policies and procedures. • Security guards to escort vehicles while on site. • Vehicles to be driven at 5 km/hr (walking pace) at all times. • Security guards to direct pedestrians away from traffic. • Forklifts and EWP to be operated by authorized personnel only. • Forklifts and EWP operators comply with guidelines for the operation of such vehicles. • Vehicles remaining on site to be securely parked. • Brief all staff on the prevailing conditions.
<p>Separated/ Lost child</p>	<ul style="list-style-type: none"> • Anxiety/confusion • Abduction • Physical abuse • Personal injury 	<ul style="list-style-type: none"> • Role of School teachers in supervision of children to be highlighted. • School teachers to be briefed about the Wonderla park's lost child and procedures. • Cases of lost child to be reported to the security officer or the guest relations desk. • Children separated from their

		<p>groups to be instructed to approach security guards or guest relations desk.</p> <ul style="list-style-type: none"> • Security guards and guest relations desk to be trained in lost child procedures. • All Wonderla park staff are appraised of reporting procedures for lost children. • Video surveillance cameras installed within the park precinct.
Fire, Bomb threat, Armed hold up and other Emergency situations	<ul style="list-style-type: none"> • Injury • Death • Fear/anxiety • Psychological injury • Property damage/lost 	<ul style="list-style-type: none"> • Relevant external organizations (Fire brigade, Police, Ambulance) informed immediately. • Emergency Management Plan (EMP) developed by Emergency Control Organization to be put in place. • Staff trained on fire and all other emergency procedures. • Fire detecting and fire fighting equipments installed checked and maintained as per state legislative requirements. • Fire equipments checked daily by the fire wardens. • Hazardous materials stored at appropriate locations away from ignition sources. • Staff trained in the Evacuation procedures. •
Electrical hazards	<ul style="list-style-type: none"> • Injuries resulting from contact with electrical equipments including shocks, electrocution and electrical burns. 	<ul style="list-style-type: none"> • All electrical equipment tested and tagged as per the workcover guidelines. • Faulty electrical equipments removed from public area. • Work area isolated from the general public.
External Contractor work within the public areas	<ul style="list-style-type: none"> • Injuries resulting from contact with contractors equipments/ tools 	<ul style="list-style-type: none"> • As far as possible contractors work to be carried out outside park operating hours.

		<ul style="list-style-type: none"> • Contractor work area isolated with the use of pedestrian barricades and warning signs.
Temporary Structures	<ul style="list-style-type: none"> • Injuries resulting from Temporary structure collapsing and falling on members of the public • Injuries due to part of structure acting as trip hazard. 	<ul style="list-style-type: none"> • All structures secured and anchored in such a way as to provide maximum strength and support. • The structure should be stable and be able to withstand wind loads –safe work method statement and risk assessment required from structure supplier. • No structure parts should be protruding out. • Any potential trip hazards eliminated or highlighted. • Structures to be demounted during strong wind conditions.
Access to back of house work areas	<ul style="list-style-type: none"> • Injuries to members of the general public due to accessing work area because there wasn't sufficient warning information or the site wasn't correctly supervised. 	<ul style="list-style-type: none"> • Work areas isolated from general public. • Back of house work area supervised at all times by security personnel. • Warning "No entry" signs located at specific areas to advice park visitors to stay clear of the area.
Amusement rides Malfunction/risks	<ul style="list-style-type: none"> • Personal injury due to falling off a ride. • Injury due to faulty ride restrain system • Motion sickness due to nature of spinning rides • Injury resulting from not following the instructions of ride operators • Injuries resulting from rides malfunction due to extreme weather conditions. 	<ul style="list-style-type: none"> • All rides carry a daily maintenance check by qualified maintenance staff. • All rides carry a daily pre-operational check by ride operator. • All rides carry current workcover Certification after undergoing and passing engineer's inspections. • Risk assessment and hazard identification conducted for all rides. • Rides not operated during extreme weather condition: Wind, rain, lightening, extreme



		<p>temperatures.</p> <ul style="list-style-type: none"> • All rides fitted with workcover approved restrain systems. • All rides carry a safety spiel which is broadcasted to riders before and during ride cycle. • All ride staff trained in ride operating procedures and subject to daily performances audits. • All ride staff trained in identifying and reporting hazards and rides operational faults. • All staff trained to offer First aid assistance if required. • First aid services are available at the relation area.
Chemical hazards	<ul style="list-style-type: none"> • Injury/ illness due to contact with Hazardous chemical substances 	<ul style="list-style-type: none"> • Hazardous chemicals stored away from public areas at approved locations. • Staff trained in the safe handling and storage of Hazardous chemicals.
Access to first Aid and Ambulance services	<ul style="list-style-type: none"> • Injured visitors must have prompt and adequate first aid assistance. 	<ul style="list-style-type: none"> • First aid assistances is readily available to injured person. • Wonderla has a fully equipped first aid facility, which is managed and maintained by a trained/ qualified staff. • Venue mangers and other supervisors are qualified First aid officers. • Any injured person requiring more specialized medical attention will be carried to nearest multi specialty hospital on Ambulance maintained by the Company.
Alcohol beverages	<ul style="list-style-type: none"> • Intoxication due to students accessing alcoholic drinks. 	<ul style="list-style-type: none"> • All Bar/ functional staff trained in Responsible Service of Alcohol (RSA). • Alcoholic Drinks are not made available to minors.

		<ul style="list-style-type: none"> • All licensed areas supervised by staff trained in the RSA.
Environmental Conditions	<ul style="list-style-type: none"> • Sun stroke due to extreme temperatures. • Injuries due to objects blown around by strong winds. 	<ul style="list-style-type: none"> • Shaded areas provided within the park public area. • Air Conditioned areas available within the parks. • Sun block available to the visitors at the first aid area • Refreshments and water available to visitors at retail outlets. • Parks may be temporarily closed if conditions considered too extreme • Free standing objects secured during strong wind conditions. • Rides closed during extreme weather conditions.

Monitoring and reviewing of the SHP

- Risk will be periodically reviewed and monitored to ensure that all implemented control measures are being adequate/ effective.
- Any newly identified risk will be assessed as part of organizations risk assessment procedure and either eliminated or controlled using adequate control measures.
- Where a control measure is found to be inadequate/ required changes are made in the control measure in accordance with review recommendations.
- Any recommendation and change in activity will be communicated to all the relevant staff by means of briefings and/or training.
- Recommendations arising out of the organization's risk review assessment will be implemented in future risk analysis of similar activities.

ii. Economic Environment and Market conditions

We seek to continuously increase footfalls at existing amusement parks, penetrate deeper into existing geographic locations and increase revenue from other streams. At organizational level, cost optimisation and cost reduction initiatives are implemented and are closely monitored. The Company controls costs through budgetary mechanism and its

review against actual performance with the key objective of aligning them to the financial model. Cost optimization initiatives have become a part and parcel of the organizational strategies.

iii. Fluctuations in Foreign Exchange

While our functional currency is the Indian rupee, to certain extent we depend on rides and equipments that are imported and accordingly face foreign currency exposure for our purchases from overseas suppliers. As a result we are exposed to substantial risk on account of adverse currency movements in global foreign exchange markets.

We manage risk on account of foreign currency fluctuations through limited hedging of specific transactions with our Bankers. Our risk management strategy is to identify risks we are exposed to, evaluate and measure those risks, decide on managing those risks, regular monitoring and reporting to management. The objective of our risk management policy is to minimize risk arising from adverse currency movements by managing the uncertainty and volatility of foreign exchange fluctuations by hedging the risk to achieve greater predictability and stability. Without venturing into the speculative aspects of dealing in currency derivatives, we aim to cover foreseeable fluctuations with limited hedge cover.

iv. Political Environment

Any adverse change in the political environment in the states where the parks are established or proposed to be established would have an impact in growth strategies of the company. However, all the states in India are stabilising their industrial policy with considerable reforms to attract investment in various spheres. Considering the respective state's basic political philosophy, we are reviewing existing and future investment strategies on a continuous basis.

Risks that are likely to emanate are managed by constant engagement with the State Government and Central Government authorities, reviewing and monitoring the country's industrial, labour and related policies and involvement in representative industry-bodies.

v. Financial Reporting Risks

Changing laws, regulations and standards relating to accounting, corporate governance and public disclosure, Securities and Exchange Board of India (SEBI) rules, and Indian stock market listing regulations are creating uncertainty for companies. These new or changed laws, regulations and standards may lack specificity and are subject to varying interpretations. Their application in practice may evolve over time, as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs of compliance as a result of ongoing revisions to such corporate governance standards.



We are committed to maintaining high standards of corporate governance and public disclosure and our efforts to comply with evolving laws, regulations and standards in this regard would further help us address these issues.

Our preparation of financial statements in conformity with Indian GAAP and in accordance with the Accounting Standards issued by ICAI, requires us to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of our financial statements and the reported amounts of revenue and expenses during the reporting period. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances including consultation with experts in the field, scrutiny of published data for the particular sector or sphere, comparative study of other available corporate data, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. These may carry inherent reporting risks. We believe that the accounting policies related to revenue recognition and Accounting for Income taxes are significant.

vi. Risk of Corporate accounting fraud

Accounting fraud or corporate accounting fraud are business scandals arising out of misusing or misdirecting of funds, overstating revenues, understating expenses etc. The Company mitigates this risk by

- Understanding the applicable laws and regulations
- Conducting risk assessments,
- Enforcing and monitoring code of conduct for key executives
- Instituting Whistleblower mechanisms
- Deploying a strategy and process for implementing the new controls
- Adhering to internal control practices that prevent collusion and concentration of authority
- Employing mechanisms for multiple authorisation of key transactions with cross checks
- Scrutinising of management information data to pinpoint dissimilarity of comparative figures and ratios
- Creating a favourable atmosphere for internal auditors in reporting and highlighting any instances of even minor non-adherence to procedures and manuals and a host of other steps throughout the organisation and assign responsibility for leaving the overall effort to a senior individual like Chief Financial Officer.

vii. Legal Risk

Legal risk is the risk in which the Company is exposed to legal action. As the Company is governed by various laws and the Company has to do its business within four walls of law, where the Company is exposed to legal risk exposure. We have an experienced team of professionals, advisors who focus on evaluating the risks involved in a contract, ascertaining

our responsibilities under the applicable law of the contract, restricting our liabilities under the contract, and covering the risks involved so that they can ensure adherence to all contractual commitments.

Management places and encourages its employees to place full reliance on professional guidance and opinion and discuss impact of all laws and regulations to ensure company's total compliance. Advisories and suggestions from professional agencies and industry bodies, chambers of commerce etc. are carefully studied and acted upon where relevant.

The Company has established a compliance management system in the organisation and Secretary of the Company being the focal point will get the quarterly compliance reports from functional heads and being placed before the Board supported by a quarterly Secretarial Audit report by a practicing Company Secretary in compliance with clause 49 of the listing agreement.

Legal risks specific to the Company includes:

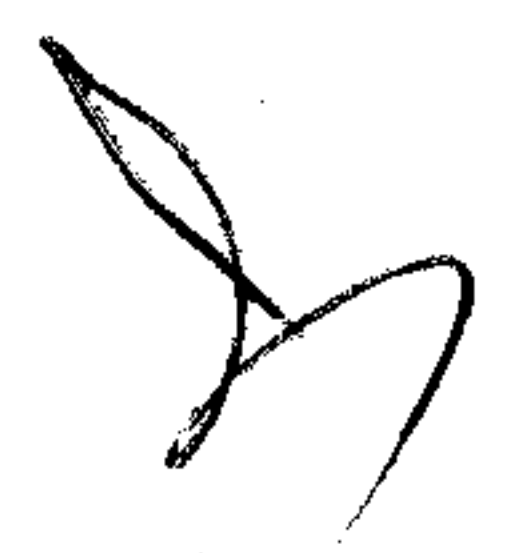
- Contract Risks
- Contractual Liability
- Frauds
- Judicial Risks
- Insurance Risks

Risk Mitigation Measures:

- A study of contracts with focus on contractual liabilities, deductions, penalties and interest conditions is undertaken on a regular basis.
- The Legal department vets all legal and contractual documents with legal advice from Legal retainers for different branches of legislation.
- Contracts are finalized as per the advice from legal professionals and Advocates.
- Insurance policies are audited to avoid any later disputes.
- Timely payment of insurance and full coverage of properties of the Company under insurance.
- Internal control systems for proper control on the operations of the Company and to detect any frauds.

viii. Human Resource Risks

Wonderla's Human Resources Development (HRD) Department will add value to all its branches by ensuring that the right person is assigned to the right job and that they grow and contribute towards organisational excellence. Our growth has been driven by our ability to attract top quality talent and effectively engage them in right jobs.



Risk in matters of human resources are sought to be minimised and contained by following a policy of providing equal opportunity to every employee, inculcate in them a sense of belonging and commitment and also effectively train them in spheres other than their own specialisation. Employees are encouraged to make suggestions on innovations, cost saving procedures, free exchange of other positive ideas relating to business of the Company. It is believed that a satisfied and committed employee will give of his best and create an atmosphere that cannot be conducive to risk exposure.

Employee compensation is always subjected to fair appraisal systems with the participation of the employee and is consistent with job content, peer comparison and individual performance. Packages are inclusive of the proper incentives and take into account welfare measures for the employee and his family. We seek to provide an environment that rewards entrepreneurial initiative and performance.

Human resource risks specific to the Company include:

- a). Labour Turnover Risks, involving replacement risks, training risks, skill risks, etc.
- b). Unrest Risks due to Strikes and Lockouts.

Risk Mitigation Measures:

- Company has proper recruitment policy for recruitment of personnel at various levels in the organization.
- Proper appraisal system for revision of compensation on a periodical basis has been evolved and followed regularly.
- Employees are trained at regular intervals to upgrade their skills.
- Labour problems are obviated by negotiations and conciliation.
- Activities relating to the Welfare of employees are undertaken.
- Employees are encouraged to make suggestions and discuss any problems with their Superiors.

ix. Key man Risk

Key man risk is the risk that is associated with employees who are vital in the operations of the Company including day-to-day affairs which are critical to the viability or growth of the Organization, and whose loss may cripple it. Key men will be those in senior positions.

Risk Mitigation Measures:

- Company has robust processes in place, which run independently of any one person.
- the key skills are shared among the workforce through appropriate training.
- the Company always believes in building its brand and not the individual in clients' minds. It ensures that the Company's brand is bigger than the individual.



- the Company ensures that the copies of key documents are stored at more than one location.
- The Company encourages key people to share responsibilities by introducing revolving roles or work shadowing.
- to reduce the Key man risk, the Company maintains important documents viz., board minutes, business contingency plans, business plans, action plans and risk maps, strengths, weaknesses, opportunities and threats analysis, comprehensive office manuals giving step by step instructions on how, when and/or by whom each task is completed.

x. Technology and system Risks

The company strongly believes that technological obsolescence is a practical reality. Technological obsolescence is evaluated on a continual basis and the necessary investments are made to bring in the best of the prevailing technology. Established contacts with leaders in technology, particularly in the areas of company's operations, have dividends in our ability to access to newer and evolving processes and their applications in building new rides. This has led to the company establishing a lead with visitors and sharing with them the benefits of such technological advances quicker than the market.

The company's policies also include a favourable dispensation for replacement of Machinery and Equipment on a constant basis to take advantage of such technological movements.

System risks specific to the Company include:

- System capability
- System reliability
- Data integrity risks
- Coordinating and interfacing risks

Risk Mitigation Measures:

- EDP department maintains repairs and upgrades the systems on a continuous basis with personnel who are trained in software and hardware.
- Password protection is provided at different levels to ensure data integrity.
- Licensed software is being used in the systems.
- The Company ensures "Data Security", by having access control/ restrictions.

xi. Environmental Risk Management

The Company endeavours to protect the environment in all its activities, as a social responsibility. The legal exposure in this regard is when polluting materials are discharged into the environment by causing danger to fragile environmental surrounding which is an offence.

For control of water pollution the Company has setup a sewage treatment plant at its branches for the treatment of sewage/effluent and it is further used for gardening and plantation. Extensive plantation of trees is undertaken for green belt development.

Disclaimer Clause

The Management cautions readers that the risks outlined above are not exhaustive and are for information purposes only. Management is not an expert in assessment of risk factors, risk mitigation measures and management's perception of risks. Readers are therefore requested to exercise their own judgment in assessing various risks associated with the Company.


CHAIRMAN