

# **RISK MANAGEMENT POLICY**

## **Terms of Reference**

### **1. Purpose**

The purpose of the Risk Management Committee (the “Committee”) is to identify, assess, monitor and manage risk. The Committee is to oversee report and make recommendations to the Board in respect of financial and non-financial risks faced by the Company.

### **2. Composition**

The Committee shall include at least three Directors of the Board.

### **3. Secretary**

The Company Secretary shall act as Secretary to the Committee.

### **4. Quorum**

The quorum necessary for transacting business at a meeting of the Committee shall be two members or one-third of the members of the Risk Management Committee; whichever is greater.

### **5. Meetings**

The Committee shall hold such number of meetings as may be required to meet its responsibilities and shall meet atleast once in a year.

### **6. Notices**

A notice of meeting shall be sent no later than forty-eight (48) hours prior to such meeting. However, meetings of the Committee may be held without formal notice if all of the members are present and do not object to notice not having been given, or if those absent waive notice in any manner either before or after the meeting.

### **7. Authority**

The Committee shall have free access to management and management information. The Committee, at its sole authority, may seek the advice of outside experts or consultants at the company’s expense where judged necessary, to discharge its duties and responsibilities.

### **8. Duties & Responsibilities**

- Review and recommend changes to the Risk Management Policy and / or associated frameworks, processes and practices of the Company.
- Be aware and concur with the Company’s Risk Appetite including risk levels, if any, set for financial and operational risks.
- Ensure that the Company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.
- Being apprised of significant risk exposures of the Company and whether Management is responding appropriately to them.
- Coordinate its activities with the Audit Committee in instances where there is any overlap with audit activities.

- The Risk Management Committee shall have access to any internal information necessary to fulfill its oversight role. The risk management committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.
- To review the risk identification and management process developed by management to confirm it is consistent with the Company's strategy and business plan.
- To assess the steps management has implemented to manage and mitigate identifiable risk, including the use of hedging and insurance.
- To perform other activities related to this Policy as requested by the Board of Directors or to address issues related to any significant subject within its term of reference.

### **9. Reporting**

- A. The Committee shall report to the Board at its next regular meeting on its proceedings on all matters within its duties and responsibilities.
- B. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

### **10. Evaluation**

- The Committee, if deemed necessary, may conduct a performance evaluation relative to its purpose, duties, responsibilities and effectiveness and recommend, any changes, it considers necessary for the approval of the Board of Directors.
- The Committee may conduct such evaluation and reviews at such intervals and in such manner as it deems appropriate.

### **11. Review of Risk Management Committee Charter**

The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

### **12. Validity and termination**

The authority and terms of reference of the Risk Management Committee may be terminated or amended by the Board.

**Approved by: Board of Directors on November 10, 2014**