

## **RISK MANAGEMENT COMMITTEE**

Mr. Muhammad Siddique Khatri - Chairman

Mr. Abdul Sattar Khatri – Member

Mr. Waqas Siddiq Khatri - Member

### **TERMS OF REFERENCE**

The terms of reference of the Risk Management Committee shall include (but not limited to) the following:

- To review the company's capability to identify and manage new risk types [in conjunction with the audit committee] before a decision to proceed is taken by the board, advise the board on proposed strategic transactions including acquisitions or disposals, ensuring that a due diligence appraisal of the proposition is undertaken, focusing in particular on risk aspects and implications for the risk appetite and tolerance of the company, and taking independent external advice where appropriate and available.
- To ensure that the Company has implemented an effective ongoing process to identify risk, to measure its potential impact against a broad set of assumptions and then to activate what is necessary to pro-actively manage these risks. A framework and process to anticipate unpredictable risks should also be implemented.
- To recommend the Board on Company's overall risk appetite and tolerance/resilience within certain Principal Risk Categories (e.g. financial, operational, business delivery and strategic), taking account of the current and prospective financial, political, business and sector environments.
- To oversee and advise (where appropriate) the Board on the current risk exposures of the Company within the Principal Risk Categories (on a quantitative and qualitative basis), and advise on the Company's future risk strategy.
- To maintain oversight of the risk management function and the Enterprise Risk Management (ERM)
- To consider and approve the design and remit of the Risk Management Function and ensure that it has adequate resources, processes and appropriate access to information to enable it to perform its function effectively;
- To provide to the Board periodic reports on the effectiveness of the systems and processes which the Committee has established relating to risk management, any significant weaknesses or failings that have been identified,

- To consider the nature and extent of the risks which is being faced by the Company, their likelihood of occurring and their individual and cumulative impact on the Company's key performance indicators.
- To ensure that procedures are in place for immediate reporting to appropriate levels of management of any significant risks arising, and control failings or weaknesses that are identified, together with details of remediation action being undertaken.
- To ensure timely and efficient delivery of risk information (including large and emerging exposures) to the Board and to relevant Functions, and formulate recommendations for action (where appropriate).
- To review and monitor management's responsiveness to the findings and recommendations of the Committee.
- To provide to the Board the results of the Committee's work pertaining to risk at least once a year;
- To review the company's procedures for detecting fraud.
- To review the effectiveness of company's internal controls and overall risk assessment and management processes for the board's decision making.
- To inquire the independent auditor about significant business, political, financial and control risks or exposure to such risk.
- To review with the Company's counsel, legal matters which could have a material impact on the Company's financial and operational matters.
- To be informed of any serious untoward incidents and ensure that follow up actions plans are developed, implemented and monitored.
- To assist the Board in setting risk strategy policies.
- To oversee formal reviews of activities associated with the effectiveness of risk management and internal control processes. A comprehensive system of control should be established to ensure that risks are mitigated and that the Company's objectives are attained;
- To review the Risk Management Strategy on an annual basis

- To ensure that adequate training is in place to support staff in fulfilling the requirements of the Company's Risk Management Policy.
- To interact with other Committees on the subject of risk and risk management.