

SP!CE

TERMS OF REFERENCE

THE RISK MANAGEMENT COMMITTEE

SPICE FINANCE LTD
(the "Company" / "SFL")

CONTENTS

1. Constitution.....3

2. Composition3

3. Meetings4

4. Duties4

5. Assessment5

I. CONSTITUTION

- 1.1. In line with the requirement of the Bank of Mauritius and The National Code of Corporate Governance for Mauritius, the Board of Directors (the 'Board') of the SPICE Finance Ltd (the 'Company') is called upon to establish a statutory committee of the Board to be known as the Risk Management Committee (the 'Committee').
- 1.2. The purpose of the Risk Management Committee is to identify, assess, monitor, and manage the overall current and future risks. The Committee is to oversee, report and make recommendations where appropriate to the Board in respect of financial and non-financial risks faced by the company.

2. COMPOSITION

- 2.1. The Chairperson of the Committee should be an independent non-executive Director.
- 2.2. The Secretary of the Company shall act as Secretary to the Committee.
- 2.3. With the exception of the Chief Executive Officer, the committee members should be non-executive persons and a reasonable number should have an adequate familiarity with risk management of the financial institution. The quorum shall be two members throughout the meeting.
- 2.4. The Board will appoint the Committee members and the Committee chair.
- 2.5. The Chief Executive Officer shall be a member of the Risk Management Committee.
- 2.6. While the Chairperson of the board may be a member of the Risk Management Committee, he shall, in no circumstances, be chairperson thereof.

3. MEETINGS

- 3.1. The Committee should meet at least once every quarter. Meetings should be organised so that attendance is maximised. The Chairperson of the Committee or any member of the Committee may call a meeting at any other time.
- 3.2. The notice of each meeting of the Committee confirming the venue, time and date and enclosing an agenda of items to be discussed shall, other than under exceptional circumstances, be forwarded to each member of the Committee at his known registered address, not less than four working days prior to the date of the meeting.
- 3.3. Minutes of all meetings shall be circulated to all the members of the Committee and may also, if the Chairperson of the Committee so decides, be circulated to other members of the Board.

4. DUTIES**The duties of the Risk Management Committee shall be to:**

- 4.1. Provide prior endorsement for the appointment and removal of a Chief Risk Officer (if any);
- 4.2. Ensure the independence of the Chief Risk Officer from operational management without any requirement to generate revenues. The Chief Risk Officer shall submit regular reports to the committee on his/her activities and findings relating to the organization's risk appetite framework.
- 4.3. Determine, agree and develop the Company's general policy on Risk Management. The committee shall also formulate and make recommendations to the board on the risk management issues in a timely manner.
- 4.4. Identify the principal risks faced by the company and assess management performance through the actions taken to mitigate the risks;
- 4.5. Ensure that the CEO facilitates training programmes for directors and senior management to enable them to have a robust and deep understanding of the nature of the business, the nature and type of risks, the consequences of risks being inadequately managed and the techniques for mitigating the identified risks effectively;
- 4.6. Receive periodic information on risk exposures and risk management activities from senior officers;
- 4.7. Review and approve discussions and disclosure of risks.

5. ASSESSMENT

The Committee shall every 2 years conduct a self-evaluation to assess its effectiveness in fulfilling its responsibilities and duties set out in this term of reference.

Approved by the Board
29 September 2021