

Risk Management Policy

1. Purpose

The Risk Committee is responsible for assisting the Board in its oversight of risk, reviewing the Suprajit Group's risk appetite and risk profile in relation to capital, liquidity and franchise value, reviewing the effectiveness of the Group's risk management framework, reviewing the methodology used in determining the Group's capital requirements, stress testing, ensuring due diligence appraisals are carried out on strategic or significant transactions, working with the Remuneration Committee to ensure that risk management is properly considered in setting remuneration policy, and monitoring prudential regulatory requirements across the Group. Primary responsibility for setting the Group's conduct and financial crime risk appetites and overseeing the Group's profile against them; overseeing the brand and reputation of the Group and ensuring that the reputational risk is consistent with the risk appetite lies with the Board Governance Committee.

2. Members

The Risk Management Committee shall have minimum three members with majority of them being members of the board of directors, including at least one independent director.

The Chairperson of the Risk management committee shall be a member of the board of directors and senior executives of the listed entity may be members of the committee

3. Frequency of Meetings

The Committee shall meet as and when it deems necessary. However, at least two meeting in a year shall be held. However, the meetings of the risk management committee shall be conducted in such a manner that on a continuous basis not more than one hundred and eighty days shall elapse between any two consecutive meetings.

4. Quorum and meeting procedures

- a. The quorum for a meeting of the Risk Management Committee shall be either two members or one third of the members of the committee, whichever is higher, including at least one member of the board of directors in attendance
- b. In the absence of the chairman, the remaining members present at the Meeting shall elect one of themselves to Chair the meeting.
- c. Board Members shall have the right to attend Committee meetings as and when necessary. CFO and Company Secretary, Chief Operating Officer and other Senior Management Executives may be invited to attend the Meeting, if necessary.

5. Authority

The Committee is authorised by the Board to:

- a. investigate, or cause to be investigated, any activity within its terms of reference;
- b. obtain at the Company's expense external legal or independent professional advice from such advisors as the Committee shall select, who may, at the invitation of the Committee, attend meetings as necessary;

- c. seek any information that it requires from any employee of the Group in order to perform its duties and require all employees to co-operate with any request made by the Committee;
- d. delegate any of its duties as is appropriate to such persons or person as it thinks fit.

6. Role & Responsibility

The Committee shall have below role and responsibility and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit and such function shall specifically cover cyber security:

The role of the committee shall, inter alia, include the following:

1. To formulate a detailed risk management policy which shall include:
 - a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
 - c. Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

7. Reporting Procedures

- a. The chairman of the Committee shall report to the Board at regular intervals on the matters it has reviewed, make recommendations when requested or when the chairman of the Committee considers appropriate
- b. The Committee members shall undertake a review of the Committee's performance and these terms of reference annually and, if necessary, make recommendations to the Board for approval.