



Memorandum of Risk Management Committee

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1 Introduction

This is the Risk Management Committee Memorandum for Wellesley Corporation Limited (“WCL”) approved by the Board of Directors in their meeting held on 28th January, 2015.

The memorandum governs the processes of the Risk Management Committee (“Committee”) and outlines the procedures and guidelines in relation to the role of directors and senior executives of the Company.

2 Risk Management Committee

Primary Objectives

The Board of Directors has ultimate responsibility for risk management. As required by the amended clause 49 of the listing agreement it is now mandatory to establish a separate Risk Management committee, so now the board of the company establishing a separate forum to deal in risk management.

As a sub-committee of the Board, the Risk Management Committee (RMC) is responsible to the Board for:

- (a) Establishing sound risk management system in consultation with board members.
- (b) Constants monitoring of the working of risk management plan and modifying it as and when required
- (c) Laying down procedures for dissemination of risk information to the board members.
- (d) Reviewing the effectiveness of the risk management system in identifying and managing risks and controlling internal processes.

2.1 Composition

The Committee shall comprise of three members, as:-

- a) Mr. Vishnu Gopal Rajgarhia (Non Executive Independent Director & Chairman of Audit Committee).
- b) Mr. Deepak Jalan (Non Executive Independent Director)
- c) Mrs.Kirti Gupta (Non Executive Independent Director)



2.1.1 Removal or resignation

If a member of the Committee retires, is removed, or resigns from their position within the Company, that member ceases to be a member of the Committee. The Board may appoint a successor.

2.1.2 Committee may invite

The Committee may invite any Risk Management Committee team member or any other individual to attend a meeting of the Committee, as they consider appropriate.

2.1.3 Secretary

The Company Secretary of the company shall act as Secretary to the Committee.

2.2 Meetings

2.2.1 Frequency

The Committee will meet at least quarterly. Any Committee member or the secretary may call a Committee meeting at any time.

2.2.2 Calling meetings & notice

A notice of each meeting confirming the date, time, venue and agenda must be forwarded to each member of the Committee seven working days before the date of the meeting. The notice for members will include relevant supporting papers for the agenda items to be discussed.

2.2.3 Report to board

The Committee will report to the Board following each meeting. The Committee will report to the Board regularly on the matters set out in **Section 3** of this Memorandum. The Committee will prepare for approval by the Board any report on the matters set out in **Section 3** that may be:

- required by any listing rule, legislation, regulatory body or other regulatory requirement;
- or
- proposed for inclusion in the annual report.

2.2.4 Minutes

Minutes of proceedings and resolutions of Committee meetings will be kept by the secretary. Minutes will be distributed to all Committee members and the chair of the Committee, after the Committee chair has given the preliminary approval. Minutes,



agenda and supporting papers will be made available to any director upon request to the secretary, providing no conflict of interest exists.

2.2.5 Quorum & voting

A quorum will comprise two members. In the absence of the Committee chair or appointed delegate, the members will elect one of their number as chair for that meeting. Each member will have one vote and vote of the interested member shall not be counted.

2.2.6 Resolutions

Resolutions of the Committee may be made at a meeting of the Committee, or where it is impractical to convene a meeting, by circular resolution.

3 Duties & responsibilities

- Oversee and approve the risk management, internal compliance and control policies and procedures of the Company (including reporting and internal audit systems), in concurrence with existing business processes and systems, to manage the Company's material business risks
- Establish policies for the monitoring and evaluation of risk management systems to assess the effectiveness of those systems in minimizing risks that may impact adversely on the business objectives 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.
- Review the existing risk Management System of the Company in view of the Company's Risk Appetite.
- Coordinate its activities with the Audit Committee in instances where there is any overlap with audit activities. For example, internal or external audit issue relating to risk management policy or practice.
- Provide guidance to the Board on making the Company's risk management policies and procedures publicly available and, if appropriate, liaise with the Company Secretary on



announcements to the market where material business risks or changes to those risks are likely to have a material impact on the price or value of the Company's securities.

- Perform other activities related to this Memorandum as requested by the Board of Directors or to address issues related to any significant subject within its term of reference

4 Authority & resources available

- The Committee shall have free access to management and management information. The Committee may seek the advice of outside experts or consultants to discharge its duties and responsibilities.
- The Committee will have access to all books, records, facilities and personnel of "WCL "necessary for the Committee to discharge its duties and responsibilities.

5 Evaluations

- The Committee, if deem 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 adequacy of this Memorandum shall be reviewed and reassessed by the Committee at such intervals as the Committee deems appropriate and recommendations, if any shall be made to the Board to update the same from time to time.

