

# **THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED**

## **RISK MANAGEMENT COMMITTEE**

### **TERMS OF REFERENCE**

#### **1. PURPOSE**

The Orissa Minerals Development Company Limited (Company) has established a Risk Management Committee (Committee). 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. COMPOSITIONS**

The Company through its Board of Directors shall constitute a Risk Management Committee. The Board shall define the roles and responsibilities of the Risk Management Committee and may delegate monitoring and reviewing of the Risk Management Plan to the Committee and such other functions as it may deem fit. The majority of Committee shall consist of members of the Board of Directors. Senior Executives of the Company may be members of the said committee but the Chairman of the Committee shall be a member of the Board of Directors.

#### **3. DUTIES AND RESPONSIBILITIES**

- A. Subject to the powers and duties of the Board, the Board hereby delegates to the Committee the following powers and duties to be performed by the Committee on behalf of and for the Board.
  - a) Assessment of the Company's risk profile and key areas of risk in particular.
  - b) Recommending to the Board and adopting risk assessment and rating procedures.
  - c) Examining and determining the sufficiency of the Company's internal processes for reporting on and managing key risk areas.
  - d) Assessing and recommending to the Board acceptable levels of risk.
  - e) Development and implementation of a risk management framework and internal control system.
  - f) Inquire of management and the independent auditor about significant business, political, financial and control risks or exposure to such risk;

- g) Oversee and monitor management's documentation of the material risks that the Corporation faces and update as events change and risks shift;
- h) Review management's assessment of risk at least annually and provide an update to the Board in this regard;
- i) Review the following with management, with the objective of obtaining reasonable assurance that financial risk is being effectively managed and controlled:

- (1) management's tolerance for financial risks;
- (2) management's assessment of significant financial risks facing the Company;
- (3) the Company's policies, plans, processes and any proposed changes to those policies for controlling significant financial risks; and
- (4) to review with the Company's counsel, legal matters which could have a material impact on the Corporation's public disclosure, including financial statements.

#### **4. REPORTING RESPONSIBILITIES**

- 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.
- C. 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.