



TERMS OF REFERENCE

THE RISK MANAGEMENT COMMITTEE

**SPICE FINANCE LTD
(the 'Company' / 'SFL')**

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1. OBJECTIVES

- 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 of the SPICE Finance Ltd (the 'Board') 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 ideally be an independent non-executive Director.
- 2.2. The Secretary of the Company shall act as Secretary to the Committee.
- 2.3. Except for the Chief Executive Officer ('CEO'), the Committee members may consist of non-executive or independent 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 Committee meeting.
- 2.4. The Board shall appoint the Committee members and the Committee Chairperson.
- 2.5. The CEO 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, under no circumstances, be chairperson thereof.
- 2.7. Members of the Committee shall have experience in identifying, assessing and managing risk exposures.

3. MEETINGS

- 3.1. The Committee should meet at least once every quarter. Meetings should be organised so that attendance is maximized. 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 Committee meeting 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 (postal or email), 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.
- 3.4. The Chairman of the Committee may in case of absence designate an alternate. In case of absence of the Chairman and where no alternate has been designated, the present members shall collectively appoint an independent non-executive director as an alternate chair for that specific meeting. If unavailable, a fellow Committee member may be appointed as Chairman. The alternate chair's authority is limited to that meeting and his/her role is to facilitate proceedings in line with established procedures and roles and responsibilities of the Committee as defined in this terms of reference.

4. DUTIES

The duties of the Risk Management Committee shall be to:

- 4.1. Provide prior endorsement for the appointment and removal of a Risk Officer (if any);
- 4.2. Ensure the independence of the Risk Officer from operational management without any requirement to generate revenues. The Risk Officer shall submit regular reports to the Committee on his/her activities and findings relating to the Company'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 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.
- 4.8. Review and approve the risk governance framework, the risk register including the risk assessment, the risk mitigation measures while ensuring that the supporting policies and procedures are documented and implemented within the Company.
- 4.9. Review and approve the risk appetite statement including the risk tolerance structure.
- 4.10. Review with the Risk Officer all the types of risks including any risk concentration.
- 4.11. Maintain a close relationship with the audit committee.
- 4.12. Maintain a dialogue with the internal and external audit in respect of the risk governance framework.
- 4.13. Escalate significant risk management issues to the Board for immediate action.
- 4.14. Evaluation of risks for new projects.
- 4.15. Review effectiveness of risk management framework.
- 4.16. Review internal control strength regarding risk.
- 4.17. Review insurance coverage.
- 4.18. Oversight of significant legal claims.
- 4.19. AML/CFT monitoring.

5. PERFORMANCE REVIEW

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.

6. AUTHORITY

The Committee is authorised by the Board to investigate any matter within its terms of reference and shall have full access to information, employees and external advisers as required. The Committee shall act in an advisory capacity and shall, after due deliberation, recommend all decisions to the Board for subsequent approval.

7. REMUNERATION

With respect to the performance by the members of the Committee, in addition to their directorship and pursuant to the provision under the constitution of the Company, members of the Committee shall be entitled to a remuneration befitting their appointment and presence upon Committee meetings.

8. OTHER PROVISIONS

- 8.1. All members of the Committee shall adhere to a strict code of conduct that emphasizes ethical behaviour, professionalism and confidentiality. This includes maintaining the confidentiality of sensitive information discussed during Committee meetings and refraining from disclosing such information to unauthorized parties.
- 8.2. The Committee collectively, and each Committee member individually, has the right to seek independent professional advice as they consider necessary to fulfil their roles and responsibilities and permit independent judgment in decision-making, subject to the approval of the Chairperson, at the expense of the Company or the concerned subsidiary of the Group.
- 8.3. The Committee is authorized to any sufficient resource in order to fulfil its roles and responsibilities, including assistance from the Company Secretary whenever required.
- 8.4. The Chairman shall report to the Board regarding the deliberations of the Committee at the next scheduled Board meeting.
- 8.5. The Committee shall ensure that reports which are a regulatory and statutory requirement, or which have been requested by the Board are included in the annual report of the Company.

9. AMENDMENTS

Amendments to this terms of reference may be proposed by any member of the Committee or the Board. Proposed amendments shall be reviewed and approved by a majority vote of the Committee members. Any approved changes shall be communicated promptly to the Board for final ratification and the updated terms of reference shall be made available to all relevant stakeholders.

Approved by the Board on 26th of March 2026