



# **NEW MAURITIUS HOTELS LIMITED**

## **RISK COMMITTEE CHARTER**

## Purpose

The Charter should clearly articulate the Risk Committee's role and responsibilities, authority, composition, structure and membership requirements, processes and procedures, as approved by the Board.

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## Scope of the Risk Committee

If the inherent risk profile of a company's business is high, then the Board should establish a separate committee to oversee how management addresses that risk.

The primary responsibility of the Risk Committee is to ensure that there is a comprehensive and appropriate risk management system in place. More specifically, it will oversee management policies and practices with a view to ensuring:

- that the executive team has identified and assessed all the risks that the organisation faces, in the context of its strategy, business plans and financial objectives;
- that there is a clear and detailed identification of risk areas, such as strategic, financial (including those relating to debt covenants, credit, liquidity), market, security, operational, IT, cyber, workplace health and safety, legal, regulatory, reputational, and other risks, in conjunction with other Board-level committees or the full board, where applicable;
- that NMH is compliant with its regulatory and contractual obligations, with the exception of financial and tax related regulatory and contractual obligations for which the Audit Committee is responsible;
- that there is a proper allocation of duties and responsibilities amongst designated staff members, in order to minimise the possibility of a risk materialising; and
- that there is prompt and adequate management of the consequences, in the unlikely event of a risk materialising.

## Authority

The Risk Committee shall assist the Board in deciding on the level of risk deemed to be acceptable, in the light of our overall strategy and financial targets.

The Audit Committee remains in control of overseeing financial reporting and disclosures, as well as internal systems of controls. It will continue to highlight financial risks to which the company may be exposed and the means of mitigating those risks to the Board of Directors.

These 2 Committees have a key role to play as part of the company's good governance structure and the two will work in collaboration and share whatever information is required by each of them in the fulfilment of its mandate.

Unless explicitly granted otherwise by the Board, the Risk Committee does not have decision-making powers, but rather will make recommendations to the Board for consideration. It also works in collaboration with the People & Culture Department in relation to any non-compliance with the Code of Ethics.

The Committee is authorised to:

- investigate any activity within its terms of reference;
- at its discretion, seek any information it requires from any employee of the company or require any employee of the company to attend meetings or parts of meetings;
- may consult with and seek any information it requires from any employees, and all employees shall be required to cooperate with any request made by the Committee in the course of its duties; and
- obtain, at the company's expense, independent legal, accounting or other professional advice on any matter it believes it necessary to do so.

### **Duties and Responsibilities**

The Committee shall carry out the duties below for the parent company, major subsidiary undertakings and the group, as appropriate. The term 'company' will be deemed to refer to any such subsidiary

#### Main duties and responsibilities

As part of its main duties and responsibilities related to General risk oversight and monitoring / Internal control / Risk transfer and insurance, the Committee shall:

- Review NMH's risk appetite and risk tolerance, as determined by the Board on a holistic enterprise-wide basis, and with respect to relevant categories of operational risk.
- Review and assess the various categories of risk faced by the company as listed in the Key Risk Register and validated with concerned operational teams.
- Review and assess the likelihood of occurrence, severity of impact of those risks, mitigating actions, strategies, measures and assumptions, including procedures developed.
- Review the allocation of responsibilities and resources across the three Lines of Defence as detailed within NMH's integrated Risk Management Processes.
- Review processes implemented by management to develop and maintain a supportive and proactive risk management culture within NMH, including effectiveness of the internal control.

- Oversee workplace health and safety risk management process and reporting as well as NMH Data Protection and Money Laundering processes and controls.
- Review the adequacy of NMH's insurance programs, including annual renewals.
- Ensure compliance with NMH's regulatory and contractual obligations (excluding those financial and tax related regulatory and contractual obligations for which the Audit Committee is responsible) based on regular updates from the Group Legal Counsel.
- Review the quality, type and presentation of risk-related information provided to the Board.

### Others

The Committee shall also:

- Perform other oversight functions as requested by the Board.
- Have regard to the principles of governance and code of best practice as contained in the Code of Corporate Governance.
- Ensure that arrangements are in place for the appropriate and independent investigation of such matters and for appropriate follow-up action, and that any matters relevant to the Committee's responsibilities are brought to its attention.
- Have access to outside or other independent professional advice as it considers necessary to carry out its duties.
- Have access to sufficient resources to carry out its duties, including access to the company secretariat for assistance as required.
- Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.
- Give due consideration to laws and regulations, the Code, SEM Listing Rules and any other applicable rules, as appropriate.
- Oversee any investigation of activities which are within its terms of reference.
- Work and liaise as necessary with all other Board committees.

### **Membership**

The Committee shall comprise of at least three members appointed by the Board and is chaired by a member of the Board.

A majority of the members of the Committee shall be non-executive directors and where possible, independent non-executive directors.

Permanent invitees include the: Chief Executive Officer, Chief Risk & Compliance Officer, Group Legal Counsel and the following invitees might be called in as applicable: Chief Financial Officer, Chief Digital Officer, Chief Operations Officer, Head of Safety, Group Insurance Advisor and representatives of the Internal Audit. The invitees will be provided with Committee papers.

Professional advisers may be appointed, where necessary to assist the Committee in evaluating specific issues or risks and the strategies put in place to deal with the issue or manage the risk.

Members of the Committee shall be appointed by the Board, on the recommendation of the nomination committee in consultation with the chairperson of the Risk Committee. They should preferably not be members of other designated Board Committees.

The Board shall have the power at any time to remove any member from the Committee and to fill any vacancy created by such removal.

Appointments to the Committee shall be for a period of up to three years extendable by no more than two additional three-year periods

Appointments to the Committee shall be person specific i.e. where a Director is a member of the Committee but is unable to attend a particular meeting, he or she shall not be entitled to appoint a proxy or to request that his or her duly appointed alternate Director (if any) attend in his or her stead.

All members of the Committee shall have a broad understanding of the business and economic environment, of financial and business risks and of the country's legal and statutory infrastructure.

## **Committee Proceedings**

### Secretary

The company secretary shall act as the secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

### Notice of meetings

Meetings of the Committee shall be convened by the secretary of the Committee at the request of the Committee Chairperson.

Reasonable notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and supporting papers, shall be forwarded to each member of the Committee, and any other person required to attend.

The Chief Risk & Compliance Officer, in conjunction with the Chairperson of the Committee, shall draw up an Agenda for approval by the Chairperson of the Committee. Papers will be delivered to Committee members at least five days prior to the relevant meeting.

### Quorum

The quorum necessary for the transaction of business shall be two members, at least one must be a non-executive director.

### Meetings

The Committee shall hold sufficient scheduled meetings per annum to discharge fully all aspects of its terms of reference. It shall meet as often as would be necessary to achieve its objectives, but at least four times a year at appropriate intervals in the financial reporting cycle. If and when the Risk Committee and the Board decide that the Risk Management system in place is functioning well, meetings could be held twice or three times yearly.

The Chairperson shall convene a meeting upon the request of any Committee member who considers it necessary.

The Committee may request any officer or employee to attend the meeting and provide pertinent information as necessary.

All decisions shall be taken on a majority of votes.

### Minutes of Meetings

The secretary shall minute the proceedings and decisions of all meetings of the Committee, including recording the names of those present and in attendance.

Draft minutes of Committee meetings shall be circulated promptly to the Chairperson of the Committee and Chief Risk & Compliance Officer, then to all members of the Committee.

Once approved, minutes should be circulated to all other members of the Board unless in the opinion of the Committee Chairperson it would be inappropriate to do so.

### **Reporting Responsibilities**

The Committee Chairperson shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

## Remuneration

Having regard for the functions performed by the members of the Committee in addition to their functions as directors in relation to the activities of the Committee, members of the Committee may be paid such special remuneration in respect of their appointment as shall be fixed by the Board. Such special remuneration shall be in addition to the annual fees payable to directors.

The Chairperson of the Committee shall, in addition to his or her remuneration as member, receive a further sum as determined by the Board.

**Approved by NMH Board of Directors on 10 May 2022.**