



## 1. Purpose

- 1.1 In line with the provisions of the Mauritius Code of Corporate Governance 2016, the Risk Committee (the **Committee**) has been established by the Board of Directors (the **Board**) of the State Insurance Company of Mauritius Ltd (the **Company**) to assist the Board in fulfilling its oversight responsibilities related to risk and risk management. The Committee shall provide support to the Board of the Company and its subsidiaries (the **SICOM Group**) on risk management and identify the risk areas of the SICOM Group's operations to be covered in the scope of the internal and external audits.
- 1.2 This Charter sets out the roles, responsibilities, powers and terms of reference of the members of the Committee.
- 1.3 The Committee has an independent role and makes recommendations to the Board for its consideration and final approval.

## 2. Membership

- 2.1 The Committee shall comprise not less than three (3) members appointed by the Board.
- 2.2 The Board shall appoint the Committee Chairperson who may be either an independent or a non-executive director. In the absence of the Committee Chairperson, the remaining members present shall elect one of themselves to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the Board.
- 2.3 The Chairperson of the Board shall not be eligible to be appointed as Chairperson of the Committee.
- 2.4 The Board shall have the power at any time to remove any members from the Committee and to fill any vacancies created by such removal.
- 2.5 Only members of the Committee shall attend Committee meetings. However, the Committee may invite other persons to attend all or part of any meeting, as deemed necessary and appropriate.
- 2.6 The Committee is authorised by the Board to obtain, at the company's expense, external actuarial, financial, legal or other professional advice on any matter within its terms of reference, if required.
- 2.7 The Committee may also hold its meetings using any technology which enables members of the Committee to participate.



2.8 For the avoidance of doubt, this Committee is a committee of the Board. As such, the duties and responsibilities of a Committee member will be in addition to his/her duties as a director of the Board.

### 3. Secretary

3.1 The Company Secretary shall act as the Secretary of the Committee.

3.2 The Secretary will keep minutes of proceedings and resolutions of all Committee meetings.

### 4. Quorum

4.1 The quorum necessary for the transaction of business shall be a majority of members.

4.2 Matters will generally be decided unanimously or, if a consensus cannot be reached, by a majority of votes from the members present.

### 5. Frequency of meetings

The Committee shall meet at least four (4) times a year at appropriate intervals in the financial reporting and audit cycle and otherwise as required.

### 6. Notice of meetings

6.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chairperson or any of its members or at the request of the Risk Officer if they consider it necessary.

6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed and supporting papers, shall be sent to Committee members and any other attendees before the date of the meeting. Supporting papers shall be sent to Committee Members and to other attendees, where applicable, at the same time.

### 7. Minutes of meetings

The Secretary shall take the minutes of proceedings of all Committee meetings and shall circulate them to all members after they are approved and signed by the Committee Chairperson.

### 8. Written resolutions

Decisions may also be taken by way of written resolutions assented by all members of the Committee.



## 9. Annual Meeting of Shareholders

The Committee Chairperson may attend the Annual Meeting of Shareholders to answer any shareholder questions on the Committee's activities.

## 10. Terms of reference

The Committee shall fulfill its duties and responsibilities as follows:

- 10.1 Review and annually recommend the Enterprise Risk Management Framework to the Board for consideration and approval;
- 10.2 Review and annually recommend the Own Risk and Solvency Assessment report to the Board for consideration and approval;
- 10.3 Review and ensure that the risk management practices are effectively embedded within the day-to-day operations of the business and are supported by appropriate metrics;
- 10.4 Review and ensure that cyber security is managed effectively;
- 10.5 Review and annually recommend the Risk Appetite Statements and Risk Tolerance Levels for the list of key risks to the Board for consideration and approval;
- 10.6 Monitor the actual Key Risks Indicators against the Risk Appetite and Tolerance Levels approved by the Board;
- 10.7 Request, receive and consider reports on key risk issues;
- 10.8 Consider stress testing and reverse stress testing scenarios and their impact on the Company;
- 10.9 Review policies for the management of main risks, including liquidity risk;
- 10.10 Review adequacy of insurance coverage, material outsourcing arrangements, the Disaster Recovery Plan and Business Continuity Plan;
- 10.11 Ensure that emerging risks are identified and monitored;
- 10.12 Regularly review the adequacy and effectiveness of the Company's Risk Management Function;
- 10.13 Ensure that the Risk Management Function is adequately resourced, with the right sets of skills;
- 10.14 The Committee Chairperson may at any time communicate with the Risk Officer without the presence of management;



10.15 Review of Asset-Liability Committee ('ALCO') reports.

## 11. Reporting responsibilities

11.1 The Committee Chairperson shall report to the Board on its proceedings on a regular basis, providing an overview of its activities and summarising the Committee's actions.

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

## 12. Other matters

12.1 The Committee shall:

- a. Have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required.
- b. Work and liaise as necessary with all other Board committees.
- c. Arrange for periodic reviews of its own performance and, as when required, review its composition and this Charter to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

12.2 For the avoidance of doubt, any proposed changes to this Charter must be approved by the Board.

*This Charter is posted on the Company's website.*

***This Charter was adopted by the Board of the State Insurance Company of Mauritius Ltd on 23 September 2022***