

ARCTIC TEXTILE MILLS LIMITED

RISK MANAGEMENT COMMITTEE - TERMS OF REFERENCE (TORs)

Following are the terms of reference of the Risk Management Committee:

- Provide strategic guidelines for the overall Risk Management of the Company.
- Review the results of the Internal Auditors' independent assessment of the risks identified, evaluated and managed by risk owners which are detailed in the Risk Assessment Report which is prepared by the Internal Auditors on quarterly basis.
- Review the Risk profiles of the company, including action plan and strategies to address these risks identified.
- Review the risk policy and risk appetite of the Group and recommend to the Board for approval and inclusion in the Statement on Risk Management and Internal Control.
- Review the threshold for legal case disclosure and recommend the Board for approval.
- Identifying, assessing and monitoring the effectiveness of risk treatment/mitigation action plans for the management and control of key business risks.
- Reviewing and recommending risk management strategies, policies and level of risk tolerance for the Board's approval
- Ensuring infrastructure, resources and systems are in place and adequate for risk management.

Note:

Currently, the Board has not constituted Risk Management Committee and the Company's Risk Manager perform the requisite functions and apprise the Board accordingly.