



**RISK MANAGEMENT POLICY AND  
PROCEDURE**

## **1 Introduction**

### **1.1 Purpose of the Policy**

All activities undertaken by Texvalley Market Limited (**TML**) carry an element of risk. The exposure to these risks is managed through the practice of Risk Management. In managing risk, it is the Company's practice to take advantage of potential opportunities while managing potential adverse effects. Managing risk is the responsibility of everyone in the Company.

This policy outlines the Company's risk management process and sets out the responsibilities of the Board, , the Managing Director, senior management and others within the Company in relation to risk management.

### **1.2 Policy owner**

The Managing Director is the policy owner of the Risk Management Policy and Procedure for TML. The Chief Financial Officer will oversee the risk management program for TML. He shall report to the Managing Director on the risk identification and mitigation process.

## **2 Understanding Risk Management**

Risks have been described in terms of the combination of the consequences of an event occurring and its likelihood of occurring.

Risk is the chance of something happening that will impact the objectives of the Company and revenue generation thereto, and risk management can be described as the culture, processes and structures directed towards realising potential opportunities whilst managing an adverse effect.

TML's risk management system is designed to identify the risks it faces and has measures in place to keep those risks to an acceptable minimum. The existence of risk presents both threats and opportunities to TML.

The risk management process consists of the following main elements:

**Identification:** identify risks (threats or opportunities) and document the risks.

**Assessment:** the primary goal is to document the net effect of all identified threats and opportunities by assessing:

- Likelihood of threats (risk) and opportunities that the risks might bring about;
- Impact of each risk;
- Proximity of threats; and
- Prioritization based on scales.

**Planning:** preparation of management responses to mitigate threats and maximize opportunities.

**Implementation:** risk responses are actioned.

**Monitor and review:** Monitor and review the risk management system's performance and changes in business initiatives.

**Communicate:** provide regular reports to the Managing Director/management team at agreed times.

Risks are effectively managed by TML through the effective implementation of various controls, which include:

- Board-approved risk management framework;
- Documented policies and procedures;
- Implementation of risk-based systems and processes;
- Ongoing monitoring of regulatory obligations;
- Checklists to guide activities and project plans to record actions; and
- Internal and external reporting.

### **3 Responsibility**

#### **3.1 Board**

The Board of TML has the responsibility to review that:

- (a) TML's risk management framework is sound, and TML is operating with due regard to the risk appetite set by the Board and effectively identifies all areas of potential risk;
- (b) adequate policies and processes have been designed and implemented to manage identified risks;
- (c) a regular program of audits is undertaken to test the adequacy of and compliance with prescribed policies and
- (d) proper remedial action is undertaken to redress areas of weakness.

### **3.2 Chief Financial Officer**

The Chief Financial Officer of TML has responsibility under this policy for:

- Monitoring compliance with this policy;
- Reporting to the Board on compliance with this policy;
- Developing, implementing and monitoring systems; management of policies and procedures relevant to the business, including facilitating review by the executive on a regular basis; and

### **3.3 General responsibilities**

Every TML staff member is responsible for effective management of risk including the identification of potential risks. Management is responsible for the development of risk mitigation plans and the implementation of risk reduction strategies. Risk management processes should be integrated with other planning processes and management activities.

Where there is legislation in place for the management of specific risks (such as Occupational Health and Safety), this Risk Management policy does not relieve TML of its responsibility to comply with that legislation.

Managers are accountable for strategic risk management within areas under

their control, including promoting and training the risk management process to staff.

Date: 14-08-2020

For and on behalf of the

Place: Erode

Board of Directors

Sd

Periyaswamy Raajashekar

Managing Director

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