

The HOPE'87 Risk Committee of the Board of Directors

The Board of Directors has risk management responsibilities that are defined not only by best practices and guidelines, but also by laws and regulations. The Risk Committee must assist the Board in assessing the different types of risk to which the organization is exposed.

Management is responsible for executing the organization's risk management policy. The Risk Committee must exercise oversight about it. The members of the committee must have direct access to, and receive regular reports from management.

The Risk Committee is nominated by the Chairperson of HOPE'87 in the first trimester of each year. It must be composed of at least two members belonging to the Board of Directors, at least one of whom shall also be a member of the Audit Committee. The Chairperson of the Committee is the Chairperson of the Board of Directors.

The Risk Committee is responsible to:

- a) Learn about the actual risks and the control deficiencies in the organization.
- b) Help the board define the risk appetite of the organization.
- c) Exercise oversight of management's responsibilities, and review the risk profile of the organization to ensure that risk is not higher than the risk appetite determined by the board.
- d) Monitor the effectiveness of risk management functions throughout the organization. Ensure that infrastructure, resources and systems are in place for risk management and are adequate to maintain a satisfactory level of risk management discipline.
- e) Monitor the compliance of the organisation with the HOPE'87 Risk Assessment Guidelines.
- f) Monitor the independence of risk management functions throughout the organization.
- g) Review the strategies, policies, frameworks, models and procedures that lead to the identification, measurement, reporting and mitigation of material risks.
- h) Review issues raised by Internal Audit that impact the risk management framework.
- i) Ensure that the risk awareness culture is pervasive throughout the organization.
- j) Fulfill its statutory, fiduciary and regulatory responsibilities.

The Risk Committee has to be heard at each Meeting of the Board of Directors.