



BOARD RISK COMMITTEE CHARTER

January 2016

Version 1.0

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Glossary

Term	Definition
The Company or Mushrif	Mushrif Trading and Contracting Company
AGM	Annual General Meeting
The Chairman	Chairman of the Board of Directors
BOD or the "Board"	Board of Directors
BRC or the Committee	Board Risk Committee
CEO	Chief Executive Officer
The Charter	Board Risk Committee Charter

Board Risk Committee

1. Purpose and

Mission

The Board Risk Committee (herein referred to as “the Committee” or the “BRC”) is a committee of the Board of Directors (“BOD” or the “Board”) of Mushrif Trading and Contracting Company (“Mushrif” or “the Company”), from which it derives its authority and to which it regularly reports. As it necessary to enhance the Board’s supervisory role and effective oversight on Executive Management, the Committee aims at promoting effective board supervision on significant transactions within the Company. The Committees responsibilities include but are not restricted to; strategic risk, market risk, compliance risk, operational risk as well as maintaining oversight of all Company risks.

This charter has been prepared in line with the CMA regulations related to Corporate Governance and other related regulatory requirements and is considered as part of the Company’s Corporate Governance Framework.

Wherever the provisions of this charter contradict with any newly issued statutory or regulatory requirements, the statutory and regulatory requirements will take precedence over the provisions of this charter till the charter is properly updated and approved.

2. Scope of Authority

The Board authorizes the Committee within the scope of its responsibilities to:

1. Perform activities within the scope of its Charter.
2. Have unrestricted access to the Company’s management, employees and relevant information. The Committee may seek any information that it requires from any employee of the Company in coordination with the Risk Management Function and/or the CEO unless such coordination will negatively affect the purpose for this access.
3. Engage independent counsel and other advisors, as it deems necessary to carry out its duties, provided such engagements are justifiable in coordination with the Board and CEO.

3. Membership and

Term

1. The Committee shall consist of 3 members.
2. The Chairman of the Board cannot be a member of the Committee.
3. The Chairman of the Committee should be a non-executive board member.
4. The membership will run concurrently with the term spent on the Board and will be for a period of three (3) years that can be renewed as long as the member is still a member of the Board.
5. The members of the committee shall not be absent two consecutive meetings. Where this happens, the Board shall be notified and action might be taken accordingly.
6. The committee is compensated according to the Company's Remuneration Policy.

4.

Secretary

1. The Board Secretary may be nominated as the Committee Secretary. If not, the Secretary shall be appointed by the Committee.
2. The Secretary of the Committee shall fulfill the following responsibilities:
 - Prepare and issue meeting invitations and agendas;
 - Prepare and submit for approval the contents of the agenda for all meetings of the Committee, which are convened; and
 - Prepare the minutes of each meeting held by the Committee for approval and maintain the same for future reference.
3. In the absence of the Secretary, the Committee Chairman shall appoint another member or any of the attendees, to take the role of the Secretary during the meeting.

5.

Quorum

1. Only members of the Committee and the Committee Secretary shall be entitled to attend Committee meetings. However, members of management or representatives and other specialists may be invited to attend meetings upon request of the Committee.
2. A quorum of two members (majority of members) is required to convene a meeting.
3. A duly convened meeting of the BRC at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee as specifically delegated by the Board.

4. The Committee Secretary is to register the attendance of the members in every meeting.
5. The Committee meetings can be held in person or via various means of telecommunication.

6.

Meetings

Notice to the meetings, agenda and Frequency of Meetings

1. The Committee shall meet at least four times annually or when needed. The Committee may also meet upon the request of the Committee's Chairman or the other two members or other parties such as the Executive Management or Risk Manager.
2. The Committee Secretary should coordinate with the Committee Chairman and members to finalize the timing of the Committee meetings.
3. During the absence of the Committee Chairman, the members shall elect one of themselves act as the Chairman for the meeting.
4. It is the responsibility of the Secretary of the Committee to schedule and call all meetings of the Committee and provide the Committee with a written agenda for all meetings along with the meeting information pack at least three working days before the meeting.
5. The Secretary of the Committee shall prepare the agenda based on the direction of the Committee's Chairman. Committee members and the Risk Manager (if needed) may be consulted if they wish to add additional items to the agenda.
6. The Risk Manager may meet with the Committee members and board members.

Attendees

The Committee has the authority to invite any member of the Executive Management, Risk Manager or any other party as deemed necessary. The Committee shall hold public or private meetings with attendees to perform its duties.

Conflicts of Interest

1. In case of a potential conflict of interest is identified, the respective member shall inform the Chairman as soon as the member is aware of this potential conflict and should not participate in the Committee's deliberations and resolution on the matter concerned.
2. All conflict of interest incidences should be reported in the minutes of meeting and shall be tracked to be presented to the Board.
3. Committee members follow the Company's policy related to Conflict of Interest.

Minutes of Meetings

1. The Secretary shall minute the proceedings and resolutions of all committees meetings, including recording the names of those present and in attendance.
2. The meeting minutes shall be signed by all members who have attended the meeting and should be made available prior to the following meeting.
3. Minutes of the Committee meetings shall be circulated promptly to all members of the Committee and, once signed, to all members of the Board.
4. The Committee will maintain written minutes of its meetings, along with a table tracking the Committee's decisions which will be filed with the minutes of the meetings. These minutes should be made available for regulatory inspectors and authorized persons.
5. Copies of the resolutions will be maintained at the Company's Head Office and will be circulated to the concerned management to take necessary action.

Annual General Meeting

The Committee members are encouraged to attend the Annual General Assembly Meeting to respond to shareholders queries.

7.

Responsibilities

1. Advise the Board on the Company's present and future risk strategy, policy and risk appetite. Furthermore, ensure that the Company does not exceed the risk tolerance levels and that such levels are consistent with the Company's size and activities and ensure that the implementation of this strategy is properly monitored by the Executive Management.
2. Review the Company's overall risk governance framework prior to obtaining required approval from the Board.
3. Review the Company's risk management structure, roles, responsibilities and methodologies developed by the Risk Manager prior to the Board's approval.
4. Review and monitor the independence of the risk management staff and ensure their independence from the activities which may result in the Company's exposure to risks.
5. Ensure that the Risk Management staff are fully aware and have an understanding of the Company's risks, and to continually work towards improving their level of awareness.
6. Review and ensure the adequacy of the Risk Management function and

ensure that it has adequate infrastructure to effectively execute its activities.

7. Evaluate systems and mechanisms and ensure the existence of clear lines of authority and accountability for identifying, measuring and monitoring the various risks that the Company may be exposed to in order to determine the areas of deficiencies.
8. Provide adequate support to the Risk Manager imparting trust and importance to the Risk Management Function activities.
9. Periodically assess and evaluate the Risk Manager and Risk Management Function's performance.
10. Ensure the availability of adequate and effective management information systems for risk reporting and decision making that is in accordance with the scope, complexity and nature of the Company's activities.
11. Review of issues raised by the Board Audit Committee that may affect the risk management of the Company.
12. Periodically review the Company's Disaster Recovery and Business Continuity Plans to ensure their consistency with the current operations and business strategies, and any additional requirements by authorized regulators regarding the same issue.
13. Review and approve statements to be included in the Annual Report concerning the Risk Management Framework of the Company.
14. Monitor changes anticipated for the economic and business environment, including consideration of emerging trends and other factors considered relevant to the Company's risk profile and risk appetite.
15. Ensure that proper and effective measurements and bylaws are in place for obtaining and exchanging information, so as to manage the risks of the Company as a whole and control the same effectively.
16. Coordinate with the Board Audit Committee on matters brought to its attention that are relevant to the Board Audit Committee including any matters relating to accounting, internal control, audit or compliance concerns.

8. **Responsibilities of
the Risk Management Function in supporting the Committee**

1. The Risk Management Function will lay down risk management structure, role, responsibilities and methods of development, provided that the structure and role should be reviewed by the Committee prior to the Board's approval.
2. The Risk Management Function shall ensure that all information required

for the Committee to discharge its responsibilities is provided to the Committee in a timely manner (as requested by the Committee).

3. The Risk Management Function will also ensure that matters of material concern that are relevant to the Committee's responsibilities are brought to the attention of the Committee promptly.

9.

Reporting

Responsibilities

1. Regularly prepare and present periodic reports to the Board on the nature of risks that the Company may be exposed to.
2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

10. Committee's Performance Assessment

The Committee shall conduct an annual self-assessment of its' performance, in coordination with the Board Nomination and Remuneration Committee, to assess the Committee's effectiveness in comparison to responsibilities detailed in this Charter. The results of such assessment shall be reported to the Board upon completion of the assessment process.

11.

Confidentiality

Members of the Committee and other persons who attend the BRC meeting must maintain the confidentiality of all documents they receive, on the contents of deliberations and on all confidential information and classified information of the Company; that are disclosed to them in the course of their work on the Committee.

12.

Disclosure

The membership of the Committee including names and roles and responsibilities, and a description of its duties and activities during the year shall be disclosed in the Company's Annual Report.

13.

Amendments to the

Charter

This Charter would be subject to at least an annual review or whenever the need arise by the Committee in order to:

Mushrif Trading and Contracting Company

- Ensure compliance with regulatory requirements.
- Keep abreast of the latest developments in corporate governance practices and standards, both domestic and international.
- Any other required amendments.

Any proposed amendments to the Charter will be recommended to the Board for approval.