

First Imrooz Modaraba

Governance, Risk and Compliance Policy

POLICY STATEMENT

The Modaraba is committed to a risk aware culture that is fundamental to the achievement of the Modaraba's objective of sustainably building grower value.

PURPOSE

The risk management strategy of the Modaraba encompasses regular and full consideration of opportunities and benefits, as well as risks. As such, this policy is designed to encourage a risk and reward culture. This approach also recognizes the need for compliance with both internal and external compliance obligations and has been designed to ensure that a culture of compliance exists throughout the group.

PRINCIPLES

The Modaraba is committed to the highest standards of integrity, fairness and ethical conduct, including full compliance with all relevant legal requirements.

The Modaraba in turn requires that the Directors, Officers, Managers, Employees and contractors acting on its behalf meet those same standards of integrity, fairness and ethical behavior. This includes compliance with the requirements of any law.

The Modaraba articulates its Risk Appetite and process via the "Risk Management Guidelines" which seeks to provide a common measurement basis for both the impact and likelihood of risk.

RISK MANAGEMENT APPROACH

Following the identification, analysis and evaluation of risks to achieving business objectives, strategies are devised in-line with the Modaraba's risk appetite. Part of this process entails the formulation of policies where applicable in order to ensure that the group's approach to risk management in specific areas is appropriately captured. Policies devised are then appropriately linked back to the Risk & Compliance Policy in order to ensure that an enterprise view of risk, compliance and governance is maintained.

RISK MANAGEMENT PERFORMANCE

As part of modaraba's approach to risk management, regular reporting as to business risk management performance is ensured via key risk indicators which are linked to organisational objectives.

These indicators are detailed within regular reporting to the group's Audit Committee and are measured and reported on a quarterly basis.

REPORTING

All incidents and breaches of the law are to be reported to management and the Audit committee in a timely fashion.

Where there are defects in systems, procedures and/or practices such that failure to rectify the situation could lead to a breach or non-compliance, management are charged with the responsibility of investigating the incident or near miss and taking appropriate action to prevent/reduce recurrence.

ROLES & RESPONSIBILITIES

The Board has empowered the Group Audit Committee to oversee, review and report to the Board on the Risk Management and Compliance Frameworks for the Modaraba.

Executive & Leaders

Where a significant breach has occurred within a General Manager's area of responsibility during the reporting period, the relevant section of the governance checklist must include relevant details including what breach occurred, why it occurred, action taken and any amendments to systems and processes to prevent any recurrence.

Staff

Modaraba's staffs at all levels are responsible for being aware of the requirements of any laws that apply to their day to day activities and for complying with them. They must:

- Observe the Risk & Compliance Policy and adhere to the systems and procedures established to make it effective;
- Report immediately any incident or occurrence thought or known to constitute a breach of a requirement of a law, whether or not it is within the person's immediate area of responsibility;
- Seek advice from their Leader if they are uncertain about any aspect of the relevant law;
- Where appropriate, suggest ways in which practices, systems and procedures could be improved so as to reduce the likelihood of a breach occurring.

Internal Audit

Internal Audit facilitates good governance by periodically reviewing the continuing suitability and effectiveness of the Risk & Compliance framework, with findings and recommendations for improvement provided to the Audit Committee.

Internal Audit also conducts ongoing audits of compliance performance and the compliance programs established throughout the business.

APPROVED AND ADOPTED