

RISK MANAGEMENT POLICY

1. Purpose

The purpose of this policy is to set out policy on the management of risk within the company.

The key messages are:

- Management of risk is the concern of everyone
- Management of risk is part of normal day to day business, and
- The process for managing risk is logical and systematic and should be implemented on a routine basis and integrated with service delivery.

Dar es Salaam Textile Mills Limited will ensure that risk management:

- is an integral and ongoing part of its management process
- is as simple and straightforward as possible
- That structures and responsibilities are clearly defined.

In addition, Dar es Salaam Textile Mills Limited will:

- determine an appropriate method for addressing identified risks
- repeat the process of risk identification on an appropriate periodic basis
- assess identified risks on an appropriate periodic basis
- provide for monitoring and reporting at various levels of management.

2. Scope

This policy applies to all Dar es Salaam Textile Mills Limited employees in any location where manufacturing is carried out and/or services are provided.

3. Areas of Risk

In order to manage risk on an integrated basis i.e. inclusive of all risk whether to do with the management or product delivery processes, the following have been identified as risk areas to be addressed.

- Compliance with Standards (Statutory, Professional and Management) Risks
- Objective and Project Risks.
- Business Continuity Risks.
- Adverse Publicity/Reputational Risks.
- Risk of price war with competitors.
- Financial Loss Risks.
- Risk of Injury to production, loading /unloading staff.

- Environmental Risks.

4. Risk management policy

Dar es Salaam Textile Mills Limited is committed to implement an organizational philosophy that ensures risk management is an integral part of corporate objectives, plans and management systems. Compliance with legislative requirements underpin the risk management policy. The core function of risk management is to assist Dar es Salaam Textile Mills Limited to meet objectives.

With the introduction of more individualized approaches to service provision by Dar es Salaam Textile Mills Limited the expectation is that there will be a more positive approach taken by staff around 'risk' and the opportunities that positive risk taking can bring to people's lives. This approach moves away from the mainly one-dimensional view of risk as pertaining largely to threats and instead views risk as dynamic and multidimensional and emphasizes the potential gains/opportunities as well as the hazards of risk taking.

The following factors are considered essential for the successful implementation of a risk management strategy:

1. Board and management understanding and Commitment to risk management.
2. Alignment to the organization's objectives.
3. Embedded into day to day processes.
4. Management of risk is an integrated way incorporating clinical, non-clinical and financial risks.
5. Employees and management partnership in risk management processes with clear communication channels.
6. Preventive maintenance risk management processes are applied to strategic and operational risks and the management of facilities, estates, amenities and equipment.
7. Structured mechanisms in place to monitor and review the effectiveness of risk management strategies, plans and processes.
8. All incidents are immediately reported, categorized by their consequences and investigated to determine system failures, using an organizational learning approach.
9. Systems of work are designed to reduce the likelihood of harm occurring.
10. Safe systems of work are in place to ensure the safety of clients, staff and the public.

5. Promoting a Risk Management Culture

Dar es Salaam Textile Mills Limited is committed to the protection and wellbeing of the people that it supports, their families, and Dar es Salaam Textile Mills Limited staff as well as demonstrating openness and transparency in all matters relating to management and legislative compliance. To this end Dar es Salaam Textile Mills Limited is committed to promoting a culture of Risk Management based on a practical application of best practice.

Dar es Salaam Textile Mills Limited is committed to having in place the necessary structures, processes, training, information systems and communication mechanisms to ensure that this is achieved, along with, where necessary, financial and other resources.

Dar es Salaam Textile Mills Limited seeks the commitment of all staff in supporting this initiative. To this end the Dar es Salaam Textile Mills Limited promotes an environment within which individuals/ groups are encouraged to identify hazards and risks, and report adverse events

promptly within the framework of a positive and supportive Culture which seeks to apportion blame fairly.

6. Board of Directors monitoring and management of the risk environment

The Board of Directors of Dar es Salaam Textile Mills Limited expects that a risk register be maintained which will allow for the capture of risk information from the 'bottom up' within Dar es Salaam Textile Mills Limited. The risk register will be the primary tool for risk tracking, containing the overall system of risks and the status of any risk mitigation actions.

Guidance on Dar es Salaam Textile Mills Limited 's Risk Assessment process is detailed in Dar es Salaam Textile Mills Limited Risk Assessment Tool and Guidance Document. The use of a consistent approach to risk management such as is described in these documents is essential to successfully embed risk management at all levels and areas within Dar es Salaam Textile Mills Limited.

The Board of Directors will monitor and review Dar es Salaam Textile Mills Limited corporate risk register, which will be prepared by the Executive, on a quarterly basis. The Audit and Risk Committee will accept or reject additional risks on to the corporate risk register on behalf of the Board of Directors.

7. Risk Management process

The Risk Management Process outlines a standardized approach to the identification, analysis, evaluation, treatment, communication and monitoring of risk. All services will use this standardized approach and record the outcome in a series of Risk Registers. These Risk Registers will be collated at key organizational levels allowing for risks to be managed at the most appropriate level in the organization i.e. risks that fall outside the control of a line manager may be escalated to the appropriate level of management.

It is essential that action plans for the risks contained in the Risk Register are identified and an action person assigned. These Risk registers must be under active consideration and be the subject of regular review.