

AMOL DICALITE LIMITED

Risk Management Policy

1. Context

Amol Dicalite Limited, a public limited Company, incorporated in 1979 with an object to carry on the business to manufacture Filter aids of all types, Filler products and other expanded products from Perlite, Diatomite or other materials. A Company is a joint venture Company set up in collaboration with Grefco Minerals Inc., U.S.A., pioneer and world leader of Filter aids and Perlite products.

The Company also undertakes cryogenic insulation jobs. It has specially designed Portable Plants to carry out ON-SITE jobs. At present the Company owns 7 such Portable Plants. Large jobs have been executed in a short period of time and the technical team has acquired a high degree of expertise in performing these jobs with required high precision working.

We ensure our clients for continuous service as we set the highest standard. We also ensure to be always aware for client satisfaction, trust and goodwill and to serve the needs of clients. Our continued growth and success depends on our ability to understand and respond to the challenges of an uncertain and changing world. This uncertainty generates risk, with the potential to be a source of both opportunities and threats. By understanding and managing risk, we provide greater certainty and confidence for all our stakeholders.

The risk inherent in our operating environment creates the need to think about, take and manage risk in an informed way. Explicit and effective risk management is a source of insight and competitive advantage. As such, forward looking risk management must be a cornerstone of our decision making. To this end, ADL is committed to the ongoing development of a strategic and consistent enterprise wide approach to risk management, underpinned by a risk aware culture.

Everyone in ADL has a role in managing risk by enhancing opportunities and minimizing threats, so that together we achieve our common goals, growing our business sustainably and enhancing value for customers and shareholders, contributing to our communities.

2. Scope

This is a group wide policy and applies to all of ADL. The policy is supported by the Risk Management Framework.

3. Purpose

The Company recognizes the importance of managing risk in the business to sustain growth.

The purpose of the policy is to ensure that:

- a. Appropriate systems are in place to identify the material risks facing the Company.
- b. The potential financial impact of identified risks is ascertained.
- c. Appropriate controls and strategies are adopted to manage exposure to those risks.
- d. Appropriate responsibilities are delegated to control identified risk effectively.
- e. Any material changes to the Company's risk profile are disclosed in accordance with the Company's continuous disclosure policy.

4. Responsibility and Accountability

Board	The Board is responsible for the management of the risk in the Company. The Board will periodically review the risk management policy to ensure that executive management controls risks through means of a properly defined framework.
Audit Committee	The Audit Committee provides assistance to the Board in fulfilling its risk management responsibilities.
Risk owners	Risk owners are accountable to the Board for: <ol style="list-style-type: none"> i) the development, implementation, maintenance and review of appropriate controls and strategies to manage allocated risks; ii) reporting to the Board and control and strategies.
Enterprise Risk Management Facilitator ("ERM")	The ERM Facilitator is accountable to the Board to facilitate and co-ordinate risk management activities by Risk Owners.
Employees	All employees are responsible for taking all reasonable and practicable steps to perform their responsibilities delegated under this policy and related procedures.

5. Methodology:

- i) Establish the context – what is in its scope and what is not in its scope for each level of risk assessment?
- ii) Identify the risk – what could happen? How and why could it happen?
- iii) Analyse Risk- how likely is it to happen and what are the possible consequences.
- iv) Evaluate and Priorities the risk – relevant internal controls are considered and evaluated and a decision is made as to whether these controls are adequate and appropriate to mitigate the level of risk and whether or not further controls are warranted to reduce the risk to an acceptable level.
- v) Treat Risks – Risk treatment strategies are evaluated and selected and risk is re-rated factoring in the proposed treatment strategies.

6. Key risks:

The Key risks currently under management by the Company in accordance with this policy are as follows:

- i) Acquisition & Growth – there is a risk that the Company may not archive its strategic objectives to grow the business through acquisitions and diversification and expansion of practice areas, alternatively such growth objectives may not realize the forecast profits.
- ii) Recruitment & Retention – there is a risk that the Company may not be able to recruit or retain suitably qualified or experienced people to archive strategic objectives.
- iii) Competition – there is a risk that the Company will not be in a position to continue to compete effectively with current or future competitors.
- iv) Reputation & Intellectual property – there is a risk that the Company’s reputation for providing high quality material may be damaged. There is a unauthorized use of the Company’s intellectual property.
- v) Information Systems and Operational Risks – there is a risk that of catastrophic information system failure or other operational failure or malfunction.
- vi) Employee misconduct
- vii) Governance Failure.

- viii) Economic Risk, Market conditions, Liquidity and Investment Returns.

7. Review:

This policy will be reviewed as and when required by change in circumstances affecting the risk portfolio of the Company.