

Williams & Wilson

RISK MANAGEMENT POLICY

**Williams & Wilson Limited
(the “Company”)**

RISK MANAGEMENT POLICY

Williams & Wilson Limited the Company has developed this risk management policy as per below. For the smooth operation of the Company, it is required to have a robust risk management policy.

Risk management is the discipline by which risks are identified, assessed and prioritised. It is essential to understand the multiple dimensions of risks in order to manage them effectively.

Risk management is essential for improving performance, growth and sustainable value creation. The process for identifying and managing risks has been set by the Board of Directors the Board. The day-to-day responsibility for risk management shall remain the overall responsibility of the Board of Directors.

Risk management is an integral part of the Company with strategic management being the mechanism through which risks associated with the Company's activities are addressed. The key objectives of the risk management system include:

- The identification, assessment and mitigation of risks on a timely basis;
- The provision of timely information on risk situations and appropriate risk responses;
- The identification of potential opportunities which would result in increasing firm value; and
- The instillation of a culture of risk management throughout the Company.

The main risk management policies are listed down below;

Through its ordinary operations, the Company is exposed to various risks including but not exclusive to market risks, currency risks, interest rate risks, credit risks, liquidity risks, and compliance risks.

Credit risk

In order to mitigate the risks and challenges of credit risk, the Board shall develop a proprietary cash flow-based portfolio development strategy. The Board seeks investments that have the potential to pay preferential cash flows to the Company.

The Company's financial assets which shall comprise of trade receivables and cash equivalent assets. The Company's exposure to credit arises from a default of the counter party with a maximum exposure equal to the carrying amount of these instruments.

The Company's banker shall be Silver Bank Ltd.

Liquidity risk

Liquidity risk is the risk that the company will not meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. The Company shall monitor and maintain a level of cash deemed adequate to meet its cash flow obligations. Management Accounts shall be prepared on a quarterly basis to assess the financial health of the Company. The Company shall also be required to meet the minimum unimpaired capital requirement of 250,000 Mauritian Rupees.

Market risk

Market risk represents the potential loss that can be caused by a change in the market value of financial instruments. The company's exposure to market risk is determined by a number of factors including, interest rates, foreign currency exchange rates and market volatility. The company shall conduct its operations in a manner that seeks to exploit the potential gains in the market, while limiting its exposure to market declines.

Capital risk management

The company's primary objectives when managing capital are to safeguard the company's ability to continue as a going concern.

The company's capital structure shall be regularly reviewed and managed with due regard to the capital management practices of the Company.

Compliance Risk

In assessing the risks and the steps taken to identify, assess and analyse risks proportionate to the nature, size and level of complexity of the economic and professional activities of the Company, the Company shall have recourse and comply with the following laws, rules and regulations of Mauritius and such other international laws:

- The Mauritius Financial Services Act.
- The Mauritius Financial Intelligence and Anti-Money Laundering Act.
- FSC Handbook on Anti-Money Laundering and Countering the Financing of Terrorism in the Mauritius Securities Act.
- The Mauritius Data Protection Act.
- Legislation of the European Union and the General Data Protection Regulation (GDPR).
- Such other rules and regulations made under relevant laws.

In assessing the level of compliance risk, the Company takes into account the following:

- The nature, scale, complexity and location of the customer's activities.
- Reliance on third parties for elements of the customers due diligence process.

The Company is obliged to collect the following information from natural persons connected to or acting on behalf of the legal person in accordance with the FSC Handbook on Anti-Money Laundering and Countering the Financing of Terrorism.

The Company shall distinguish between the three levels of risks: low, medium, and high. It determines what kind of due diligence measures shall be applied to each specific customer. The Company shall implement risk-profiling and a risk-based approach in accordance with its Anti-Money Laundering Compliance Procedures Manual.

A Business Risk Assessment shall be performed on the Company as soon as it begins operations and a Client Risk Assessment on each client that the Company signs up.

The criteria to be taken into consideration whilst performing a Business Risk Assessment are as follows:

- (i) The nature, scale and complexity of the Company's activities;
- (ii) The products and services provided by the Company;
- (iii) The persons to whom and the manner in which its products and services are provided;
- (iv) The nature, scale, complexity and location of its customer's activities;

- (v) Reliance on third parties for elements of the customer due diligence process; and
- (vi) Technological developments.

The criteria to be taken into consideration by the Company when performing a Client Risk Assessment are as follows:

- (i) Nature, Scale, Complexity
- (ii) Products and Services
- (iii) Clients
- (iv) Geography
- (v) Delivery Channels

Scores are allocated to each criteria and given a weighting factor to have a weighted average of the risk score. This is more detailed in the Company's Anti-Money Laundering and Compliance Procedures Manual.

The Board and the staff of the Company shall ensure that all measures of this risk management policy are met.

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