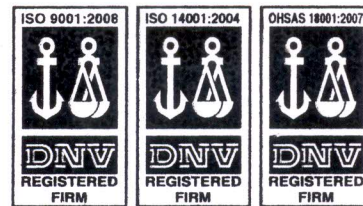


MODISON
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MODISON METALS LTD

ROLES AND RESPONSIBILITIES OF RISK MANAGEMENT COMMITTEE

1. Introduction

1.1 MODISON METALS LTD. (**Company**) has established a Risk Management Committee (**Committee**). The Committee is an executive committee and is not a formally constituted committee of the board of the directors of Company (**Board**).

1.2 The objectives and constitutional matters concerning the Committee are set out in the Committee's Charter. This statement of responsibility and duty details in the specific duties of the Committee in discharging its responsibilities.

2. Responsibilities

2.1 The responsibilities of the Committee are:

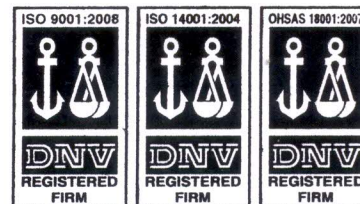
2.1.1 Recommend to the Board and then formally announce, implement and maintain a sound system of risk oversight, management and internal control which:

2.1.1.1 identifies, assesses, manages and monitors risk; and

2.1.1.2 allows investors and other stakeholders to be informed of material changes to the Company's risk profile.

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2.2. In discharging its responsibilities, the Committee is to develop and seek Board approval for a range of specific duties that it is to carry out. Such duties will vary depending on the Company's circumstances, the Committee's responsibilities and, in particular, the roles of the Board and other committees, such as audit.

2.3 The current duties of the Committee are set out in the sections below. Board approval is to be obtained for any material changes to the Committee's duties.

3. Duties

3.1 The Committee's duties are based on 2 broad categories- risk management and governance.

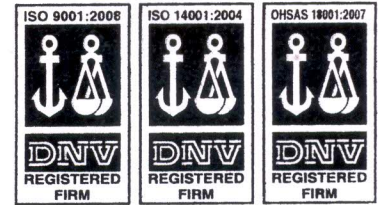
3.2 Consistent with its risk management responsibility, risk management duties are intended to detail the functions and processes which are considered necessary to ensure that the Board can be satisfied that the Company's risks are being effectively managed.

3.3 Governance duties are intended to ensure the Committee also considers ethical and broader stakeholder values in its assessment and management of risks and internal procedures.

3.4 The Committee can consider other matters relating to risk management that it considers desirable. In addition, the Committee will examine any other matters referred to it by the Board.

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4. Other Committees

4.1 The Board has separately established an Audit Committee, Nomination and Remuneration Committee (NRC), Corporate Social Responsibility (CSR) Committee.

4.2 Accordingly, the Committee's duties do not include planning or conducting audits or determining that the Company's financial statements and disclosures are:

4.2.1 complete and accurate; and

4.2.2 in accordance with accounting standards, generally accepted accounting principles and other applicable rules and regulations.

4.3 These functions fall within the duties of the Audit Committee. However there are specific duties of the Committee relevant to non- financial aspects of the Company's audit set out in section 5 below.

4.4 Similarly, functions pertaining to the assessment and recommendation of remuneration and human resource requirements are the responsibility of the Nomination and Remuneration Committee. In addition, the Committee's duties do not extend to establishing and maintaining policies and systems to ensure compliance with all environmental and occupational health, safety and welfare regulations and legislation.



4.5 The Committee is to receive a report from the relevant Committee members who are respective members of the Audit Committee, the Nomination and Remuneration Committee. The report is to identify any matters which arise out of other committees and which are relevant to the Committee's responsibilities.

4.6 The Committee is to ensure there is minimal duplication of functions between it, and other committees of the Board. However the Committee is also to ensure that matters effecting the risk management or internal control systems of the Company, whether or not forming part of the Committee's duties, are adequately addressed. For example the Committee should be assessing whether other committees are adequately addressing the relevant areas of risk that fall within the ambit of the responsibilities of those respective committees.

5. Risk Management

5.1 The risk management duties of the Committee are:

- 5.1.1 Assessment of the Company's risk profile and key areas of risk in particular.
- 5.1.2. Recommending to the Board and adopting risk assessment and rating procedures.
- 5.1.3 Examining and determining the sufficiency of the Company's internal processes for reporting on and managing key risk areas.



- 5.1.4 Assessing and recommending to the Board acceptable levels of risk.
- 5.1.5 Development and implementation of a risk management framework and internal control system.
- 5.2 On an annual basis, agreeing with the Audit Committee which aspects of the internal audit are non-financial aspects to be monitored by the Committee.
- 5.3 In relation to the non-financial aspects of the internal audit:
 - 5.3.1 monitoring the progress of the Company's auditors against the audit plan;
 - 5.3.2 reviewing all relevant representation letters signed by management;
 - 5.3.3 discussing the Query of the internal audit with the Company's auditors';
 - 5.3.4. inquiring if there have been any significant disagreements between management and the company's auditors; and
 - 5.3.5 monitoring management's response to the Company's auditors' recommendations that are adopted.
- 5.4 Initiating and monitoring special investigations into areas of corporate risk and break- downs in internal control.
- 5.5 Reviewing the nature and level of insurance coverage.

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6. Governance

6.1.1 Reviewing and recommending to the Board changes to the Board Charter dealing with, amongst other matters:

6.1.1.1 the structure and responsibilities of the Board;

6.1.1.2 the proper relationship between the Board and management; and

6.1.1.3 the responsibilities of management.

6.2 Reviewing and recommending to the Board changes to the Company's Code of Conduct, other policies ("**Company Policies**") and other material designed to guide the Company's directors, executives and other employees as to:

6.2.1 compliance with legal and other obligations to legitimate stakeholders such as shareholders and employees;

6.2.2 the ethical standards and practices necessary to maintain confidence in the Company's integrity;

6.2.3 the responsibility and accountability of individuals for reporting and investigating reports of unlawful and unethical practises; and

6.2.4 the behaviour expected of them and the Company's corporate culture generally.

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- 6.4 Monitoring compliance with Company Policies and Investigating allegations of breaches of those policies.
- 6.5 Reviewing and recommending to the Board policies to avoid conflicts of interest between the Company and its executives.
- 6.6 Reviewing and recommending to the Board the corporate governance statement to be contained in the Company's annual report.
- 6.7 Acting as a resource for individual directors, key executives and the Company as whole on questions of corporate governance and ethical standards, including providing decisions and/or advice on such matters as are referred to the Committee by the Chairperson, the Board or the Chief Executive Officer and Managing Director.