

# **TERMS OF REFERENCE OF RISK MANAGEMENT COMMITTEE**

## **1. OBJECTIVE**

The objective of the Committee is to support the Board in fulfilling its responsibilities on risk oversight and to satisfy itself that the integrated risk management functions within the Group are effectively discharged.

## **2. COMPOSITION AND APPOINTMENT**

- 2.1 The Committee members shall be appointed by the Board from amongst their number and shall consist of not less than three (3) members who are non-independent non-executive director, out of which, at least one (1) of the Committee member shall be an independent director.
- 2.2 The Chairman of the Committee shall be an independent non-executive director appointed by the Board.
- 2.3 In the absence of the Chairman of the Committee, the other members of the Committee shall amongst themselves elect a Chairman who must be an independent non-executive director to chair the meeting.
- 2.4 In the event of any vacancies resulting in the number of members falling below three (3), the vacancy shall be filled within three (3) months of it arising.

## **3. QUORUM**

The quorum for the Committee shall be two (2) members comprising a minimum of one (1) independent non-executive director.

## **4. SECRETARY**

- 4.1 The Secretary of the Committee shall ensure that proper minutes are kept of each meeting for approval of the Committee.

## **5. MEETINGS**

- 5.1 The Committee shall meet at least once a year.

- 5.2 In addition, the Chairman may call for additional meetings at any time at the Chairman's discretion or if so directed by the Board.
- 5.3 Notice of Committee meetings shall be circulated to all committee members at least one (1) week prior to each meeting unless the Committee waives such requirement.
- 5.4 The Chairman may require the attendance of any officer of the Group at any part of any meeting.
- 5.5 The Chairman shall report on each meeting to the Board.

## **6. AUTHORITY**

- 6.1 The Committee is authorised by the Board to have direct communications with and unrestricted access to all information and documents/resources as well as to officers of the Group which are necessary for the Committee to discharge its duties and responsibilities.
- 6.2 The Committee shall have the authority to obtain independent professional or other advice and to invite outsiders with relevant experience to attend the meeting, as necessary.
- 6.3 The Committee shall make recommendations to the Board but shall have no executive powers with regards to its findings and/or recommendations.

## **7. DUTIES AND RESPONSIBILITIES**

The Committee shall provide oversight, direction and counsel to the Group risk management process and shall consider any matters relating to the identification, assessment, monitoring and management of any risks associated with the Group that it deems appropriate. In addition, the Committee shall examine any other matters as directed by the Board.

The duties of the Committee shall include, but not limited to:

- 7.1 Review, assess, formulate and recommend risk management strategies, framework, policies, processes, tolerance and risk appetite limits to the Board.
- 7.2 Monitoring of Group risk exposures to ensure implementation and compliance with approved risk policies and processes of the

Group, and to ensure that significant risks identified are being responded to appropriately.

- 7.3 Review status of management action in mitigating significant risks identified.
- 7.4 Review and assess the adequacy and effectiveness of the risk management structure, approved risk policies, processes, and support system and to recommend such changes as may be deemed necessary to the Board.
- 7.5 Review and assess the risks associated with all proposed strategic transactions of the Group and report the same to the Board for its deliberation of the transaction.
- 7.6 Promote a “risk-aware” culture within the Group.