

# TERMS OF REFERENCE OF RISK MANAGEMENT COMMITTEE

## 1. MEMBERSHIP

- (a) The Risk Management Committee (“RMC”) shall be appointed by the Board and shall comprise not fewer than four (4) in number.
- (b) The members of the RMC shall elect a Chairman from among their number.
- (c) In the event of any vacancy in the RMC resulting in the number of members being reduced to below four (4), the Board shall, within three (3) months fill the vacancy.
- (d) The Board shall have the discretion as it deems fit to rescind and/or revoke the appointment of any person(s) in the RMC.

## 2. ROLES AND FUNCTIONS

The RMC has the overall responsibility for overseeing the risk management activities of the Group, approving appropriate risk management procedures and measurement methodologies across the organisation as well as identification and management of strategic business risks of the Group. Its primary roles include the following:-

- (a) To champion and promote the Enterprise Risk Management and to ensure that the risk management process and culture are embedded throughout the Group.
- (b) To ensure the implementation of the objectives outlined in the Risk Management Policy and compliance with them.
- (c) To provide routine quarterly reporting and update the Board on key risk management issues as well as ad-hoc reporting and evaluation on investment proposals.
- (d) To work with the Group Financial Controller and Group Internal Audit Department in the preparation of the Statement on Internal Control for inclusion in the Company’s Annual Report and to recommend the same for the approvals of the Audit Committee and Board.

The Risk Working Committee (“RWC”) will assist the RMC by identifying and managing operational risks within the organisation.

The RWC provides updates on key divisional risk management issues to the RMC by providing quarterly reporting and risk management software reports.

### 2.1 Routine Roles and Responsibilities

- (a) Review the effectiveness of overall risk management at the enterprise level.
- (b) Evaluate new risks identified by the RWC on the divisional level.
- (c) Follow-up on management action plans based on the status of implementation compiled by the RWC.
- (d) Identify new strategic risks including corporate matters eg. regulatory, business development, etc.
- (e) Review the enterprise risk scorecard and determine the risks to be escalated to the Board on a quarterly basis.

## **2.2 Ad-Hoc Roles and Responsibilities**

- (a) Propose to the Board, the monetary threshold and nature of proposed investments that require the RMC's evaluation and endorsement before submission to the Board.
- (b) Review proposals/feasibility studies prepared by project sponsor which meet the requisite threshold before recommending to the Board for final decision.

## **3. MEETINGS**

- (a) The RMC shall meet at least quarterly in a year. However, additional meetings may be called at any time at the RMC Chairman's discretion.
- (b) The quorum for the meeting shall be two (2) members.

## **4. REPORTING**

The Chairman of the RMC shall report the proceedings of each Committee Meeting to the Board.

## **5. SECRETARY**

The Secretary to the RMC shall be the Company Secretary.