

# TERMS OF REFERENCE OF GROUP RISK MANAGEMENT COMMITTEE

## 1. MEMBERSHIP

- (a) The Group Risk Management Committee (“GRMC”) shall be appointed by the Board and shall comprise not fewer than five (5) in number.
- (b) The members of the GRMC shall elect a Chairman from among their number.
- (c) In the event of any vacancy in the GRMC resulting in the number of members being reduced to below five (5), 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 GRMC.

## 2. ROLES AND FUNCTIONS

The GRMC has the overall responsibility for overseeing the risk management activities of the Group, approving appropriate risk management procedures and measurement methodologies across the organization 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 (ie. risk awareness and training) 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 GRMC delegates to the Enterprise Risk Review Committee (“ERRC”) and Divisional Risk Management Committee (“DRMC”) the responsibility for identification and management of operational risks, software management, training and ensuring effective implementation and maintenance of Risk Management Policy and that all personnel adhere to its mandate.

The ERRC will assist the GRMC by assuming direct responsibility for the routine risk management activities within the organization. The DRMC will be responsible for divisional risk management including reviewing and updating risk profiles and ensuring implementation of action plans.

The DRMC provides updates on key divisional risk management issues to the ERRC and GRMC by providing quarterly reporting and risk management software reports.

### 2.1 Routine Roles and Responsibilities

- (a) Provide quarterly reporting and update on operations of the Enterprise Risk Management framework to the Board.
- (b) Review Enterprise Risk Profile for effectiveness of management of risks.
- (c) Evaluate any new risks identified by the DRMC or ERRC.

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## MANAGEMENT COMMITTEE *(Cont'd)*

- (d) Follow-up on management action plans reported by the DRMC with the assistance of the ERRC.
- (e) Responsible for ensuring that strategic business risks are considered at the enterprise level.

### 2.2 Ad-Hoc Roles and Responsibilities

- (a) Propose to the Board, the monetary threshold and nature of proposed investments that require the GRMC's evaluation and endorsement before submission to the Board.
- (b) Review investment proposals prepared by project sponsor which meet the requisite threshold.
- (c) Review and feedback on evaluation of investment proposals to the Board for final decision.

### 3. MEETINGS

- (a) The GRMC shall meet at least quarterly in a year. However, additional meetings may be called at any time at the GRMC Chairman's discretion.
- (b) The quorum for the meeting shall be three (3) members.

### 4. REPORTING

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

### 5. SECRETARY

The Secretary to the GRMC shall be the Group Financial Controller / Chief Financial Officer.