



RISK MANAGEMENT COMMITTEE – TERMS OF REFERENCE

1. Objectives

The Risk Management Committee (“**Committee**” or “**RMC**”) was established by the Board of Directors (“**Board**”) of the Company and through the RMC has constituted a Risk Management Working Group (“**RMWG**”). The formation of the RMWG with the objective of assisting the Committee in fulfilling its oversight responsibilities with respect to the Group’s risk management processes, including assessment of key strategic and operational risk. In turn, the Committee assists the Board in the following areas:-

- (a) evaluate the Group’s level of risk tolerance, risk appetite and risk profile;
- (b) assess and monitor risks to be within its risk appetite; and
- (c) review the Company’s internal controls and engage with management to periodically test the adequacy and effectiveness of the risk management framework and internal control system.

2. Composition

The RMC shall be appointed from amongst the Board and shall comprise no fewer than three (3) members, a majority of whom shall be Independent Directors. No alternate director shall be appointed as a member of the Committee. Membership of the Committee shall be disclosed in the annual report of the Company.

In the event of any vacancy with the result that the number of members (including Chairman) is reduced to below three (3), the Board shall upon the recommendation of the Nomination Committee to fill the vacancy within two (2) months but in any case not later than three (3) months. Therefore a member of the Committee who wishes to retire or resign should provide sufficient written notice to the Company so that a replacement may be appointed before he leaves.

The Board must via the Nomination Committee review the terms of office and performance of Committee members annually to determine whether the Committee members have carried out their duties in accordance with its terms of reference.

3. Chairman

The Chairman, who shall be elected by the Committee, shall be an Independent Director and is not the Chairman of the Board. In the event of the Chairman’s absence, the meeting shall be chaired by another Independent Director.



4. Secretary

The secretary of the Company or his/her representative shall act as the secretary of the Committee (“**Secretary**”). The Secretary, in conjunction with the Chairman, shall draw up an agenda, which shall be circulated together with the relevant support papers, at least one (1) week prior to each meeting to the members of the Committee.

The Secretary shall also be responsible for keeping the minutes of meetings of the Committee and circulating them to the Committee members. The Committee members may inspect the minutes of the Committee at the Registered Office or such other place may be determined by the Committee.

5. Quorum and Meeting Procedures

The Committee shall meet at least once (1) a year. The quorum for a meeting of the Committee shall be two (2) members.

The Committee may call for a meeting as and when required with reasonable notice as the Committee members deem fit. The Committee members may participate in a meeting by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.

By invitation of the Committee, the Group Managing Director, Executive Directors and other appropriate officers may be invited to attend the Committee meeting, where their presence are considered appropriate as determined by the Committee’s Chairman.

All decisions at such meeting shall be decided on a show of hands on a majority of votes.

The Committee may deal with matters by way of circular reports and resolutions in lieu of convening a formal meeting. A resolution in writing, signed or approved by letter, electronic mail, telegram, telex or telefax or other electronic communication by all members in lieu of convening a formal meeting shall be as valid and effectual as it had been passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more members.

6. Advisers

The Committee is authorised by the Board to seek appropriate professional advice inside and outside the Group as and when it considers this necessary at the expense of the Company.



7. Responsibilities and Duties

In fulfilling its primary objectives, the Committee shall undertake the following responsibilities and duties:-

- (a) review the adequacy and integrity, including effectiveness, of risk management and internal control systems, management information system, and the internal auditors' and/or external auditors' evaluation of the said systems and assess the resources and knowledge of the management and employee involved in the risk management process.
- (b) review the risk profile of the Group (including risk registers) and the Risk Management team's plans to mitigate business risks as identified from time to time.
- (c) review the effectiveness of internal control systems deployed by the management to address those risks.
- (d) review and recommend the corrective measures undertaken to remedy failings and/or weakness.
- (e) review and recommend risk management strategies and policies.
- (f) review and assess adequacy of risk management policies and framework in identifying, measuring, monitoring, mitigating, and controlling risk and the extent to which these are operating effectively.
- (g) ensure adequate infrastructure, resources and systems are in place for risk management.
- (h) review periodic reports from the management on risk exposure, risk portfolio composition and risk management activities.
- (i) review and recommend new policies or changes to policies, and to consider their risk implications including the procedures in place by management to prevent and detect fraud such as cyber fraud.
- (j) review the impact of risk on capital adequacy and profitability under normal and stress scenarios.
- (k) review and evaluate the various processes and systems engaged by the Company and to ensure that they are conducted within the standards and policies as set by the Board.
- (l) assess the adequacy of the business recovery/disaster recovery procedures.



- (m) monitor the Company's reputation, health, safety and environment performance.
- (n) oversee the Group's internal control structure to ensure operational effectiveness and efficiency, reduce risk of inaccurate financial reporting, protect the Group's assets from misappropriation and encourage legal and regulatory compliance.
- (o) provide reporting and update the Board on key risk management issues.
- (p) To review the statement with regard to the statement of risk management and internal controls of the Company for inclusion in the Annual Report and report the same to the Board.

The Chairman of the Committee shall engage on a continuous basis with Executive Directors, Senior Management, internal auditors and the external auditors in order to be kept informed of matters affecting the Group.

8. Reporting Responsibilities

The Chairman of the Committee shall report to the Board on its proceedings after each meeting on all matters with its duties and responsibilities.

The Committee shall make whatever recommendation to the Board it deems appropriate or any area within its remit where action or improvement is needed.

9. Annual General Meeting

The Chairman of the Committee should attend the Annual General Meeting to answer any shareholder questions on the Committee's activities.

10. Revision of Terms of Reference

This Terms of Reference shall be reviewed annually by the Committee. Any revision or amendment to the Terms of Reference, shall first be presented to the Board for its approval.

This Terms of Reference is dated 27 February 2020