



MAJUPERAK HOLDINGS BERHAD

**TERMS OF REFERENCE FOR THE
RISK MANAGEMENT COMMITTEE**

MAJUPERAK HOLDINGS BERHAD (585389-X)
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RISK MANAGEMENT COMMITTEE**

Membership

The Risk Management Committee shall be appointed by the Board of Directors and shall comprise a majority of independent directors. The Committee shall comprise not fewer than 3 members.

The Chairman of the Committee shall be elected from one of the independent directors. In the event of any vacancy in the Committee resulting in the number of members being reduced to below 3, the Board shall, within 3 months fill the vacancy.

Vacancy, Retirement and Resignation

All members, including the Chairman, will hold office only as long as they serve as directors of the Company. If for any reason the membership of the Committee fails to comply with the membership requirements, the Board shall within three (3) months of the event, appoint such number of new member as may be required to fill the vacancy.

Authority

- The Committee will have authority to engage and authorise expenses for independent consultants and other advisors as the Committee deems necessary to perform its duties.
- The Committee may conduct or may authorise a third party to conduct specific assessment into any activity or function within the Group so far as it relates to the duties of the Committee and is in accordance with this term of reference.
- The Committee is authorised to make recommendations to the Board regarding appropriate action resulting from any such assessment.
- The Committee will have access to all books, records, facilities and personnel of the Group necessary for the Committee to discharge its duties and responsibilities.

Duties

- (a) To oversees the Group's overall risk management framework and all its related policies. The Committee reviews the risk management framework and processes to ensure that they remain relevant for use, and monitors the effectiveness of risk treatment/ mitigation action plans for the management and control of the key risks.
- (b) Accountable to the Board and is responsible to advise the Board on the adequacy and effectiveness of the risk management framework.
- (c) Approving appropriate risk management framework and measurement methodologies across the Group;
- (d) Reviewing and recommending risk management strategies, policies and level of risk tolerance for the Board's approval;

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- (e) Identifying, assess and monitor key business risks and review the extent to which key business risks are being managed;
- (f) Ensuring infrastructure, resources and systems are in place and adequate for risk management;
- (g) Reviewing management's periodic reports on risk exposure, risk portfolio composition and risk management activities;
- (h) Reviewing the enterprise risk rating and determine the critical risks to be escalated to the Board on a quarterly basis; and
- (i) Working with the Chief Financial Officer and Internal Audit and contribute to the preparation of the Statement on Risk Management and Internal Control for inclusion in the Company's Annual Report, and to recommend the same for the approvals of the Audit Committee (if necessary) and Board.

The Committee shall be assisted by the Chief Financial Officer, who will be leading the risk management function of the Company.

Meetings

The Committee shall meet at least twice (2) a year, although additional meetings may be called at any time at the Chairman's discretion. The Chairman of the Committee shall report the proceedings of each Committee meeting to the Board.

A meeting shall be called by notice in writing of not less than seven (7) days or such shorter notice as may be agreed by the members.

The quorum for each meeting shall be two (2) members.

Minutes

Minutes of each meeting shall be kept and distributed to each member of the Committee and the Board. The Chairman shall report on each meeting to the Board. The minutes book shall be opened to the inspection of any director of the Company. The secretary to the Committee shall be the Company Secretary.

Dated: 24 April 2019