



# TERMS OF REFERENCE OF BOARD RISK COMMITTEE

Name of policy: Terms of Reference of Board Risk Committee

Version: 1

Prepared by:  
Group Legal & Corporate Services

Address: Suite 8.02, Level 8, Intan Millennium Square 2,  
88, Jalan Batai Laut 4, Taman Intan, Klang,  
41300, Selangor Darul Ehsan.  
Tel: 03-3341 3388  
Fax: 03-3343 3387

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First published and distributed on (05 February 2025)



## 1. **OBJECTIVES**

The principal objectives of the Board Risk Committee ("**BRC**") are to assist the Board of Directors ("**Board**") in their responsibilities:-

- a) to identify, assess and monitor key business risks and recommend the risk management policies and strategies for the Company and its subsidiaries ("**the Group**").
- b) to oversee the risk management framework and activities of the Group and assess the Group's risk management processes to ascertain their adequacy and effectiveness;
- c) to fulfil its corporate governance, risk management, and statutory responsibilities in order to manage the overall risk exposure.

## 2. **COMPOSITION**

- a) The Board shall elect the BRC members from amongst themselves and it must be composed of no fewer than three (3) members, with a majority of whom are independent.
- b) No alternate director shall be appointed as a member of the BRC.

## 3. **CHAIRMAN**

- a) The Chairman of the BRC shall be an Independent Director identified by the Board from amongst the BRC members.
- b) In the absence of the Chairman, the members can elect from amongst themselves the Chairman for the BRC meeting.

## 4. **RETIREMENT AND RESIGNATION**

In the event of any vacancy with the resulting to non-compliance with *Clause 2(a)* above, the vacancy shall be filled within three (3) months thereof.

## 5. **SECRETARIES**

The Company Secretaries shall be the Secretaries of the BRC and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it prior to each meeting.

## **6. MEETINGS**

- a) The BRC may meet together for the despatch of business, adjourn and otherwise regulate their meetings, at least once a year or more frequently as deemed necessary. In addition, the Chairman may call for additional meetings at any time at the Chairman's discretion.
- a) Notice of BRC meetings shall be given in writing sent through the post, facsimile, electronic mail and by any means of telecommunication in permanent written form to all the BRC members, except in the case of emergency, where the BRC may waive such requirement.
- b) The BRC 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.
- c) Other Board members, employees and/or consultants may attend the BRC meeting upon invitation of the BRC.
- d) Questions arising at any meeting of the BRC shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the BRC shall have a second or casting vote.

## **7. QUORUM**

A quorum shall consist of two (2) members.

## **8. MINUTES**

- a) Minutes of each meeting shall be kept at the registered office and distributed to each member of the BRC and also to the other members of the Board. The BRC Chairman shall report on the proceeding of each meeting to the Board.
- b) The minutes of the BRC meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.
- c) The BRC members may inspect the minutes of the BRC at the Registered Office or such other place as may be determined by the BRC.

**9. CIRCULAR RESOLUTION**

A resolution in writing signed by a majority of the BRC members for the time being shall be as valid and effectual as if it had been passed at a meeting of the BRC duly called and constituted. Any such resolution may consist of several documents in like form each signed by one (1) or more BRC members. Any such document may be accepted as sufficiently signed by a BRC member if transmitted to the Company by telex, telegram, cable, facsimile or other electrical or digital written message to include a signature of a BRC member.

**10. REPORTING**

The BRC shall report to the Board, either formally in writing, or verbally, as it considers appropriate on the matters within its terms of reference at least once a year, but more frequently if it so wishes.

The BRC shall report to the Board on any specific matters referred to it by the Board.

**11. AUTHORITY**

The BRC shall, in accordance with a procedure to be determined by the Board and at the cost and expense of the Company, where necessary and reasonable for the performance of its duties:-

- a) have explicit authority to investigate any matter or activity within its terms of reference. All employees shall be directed to co-operate as requested by members of BRC;
- b) have full and unlimited/ unrestricted access to all information and documents it requires for the purpose of discharging its duties; and
- c) be able to obtain independent professional advice or other advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary.

**12. DUTIES AND RESPONSIBILITIES**

The duties and responsibilities of the BRC are as follows:-

- a) To review existing controls that may reduce the key risk factors of the Company;
- b) To review and recommend risk management strategies, policies and risk indicators and tolerance, and any proposed changes thereto for the Board's approval;
- c) To review and assess the adequacy of risk management policies and framework for identifying, measuring, monitoring and controlling risks as well as the extent to which these are operating effectively;

- d) To ensure adequate infrastructure, resources and systems are in place for an effective risk management i.e. ensuring that the staff responsible for implementing risk management systems perform those duties independently of the Company's operation;
- e) To review the management's periodic reports on risk exposure, risk portfolio composition and risk management activities;
- f) To oversee the conduct, and review the results, of company-wide risk assessments, including the identification and reporting of critical risks;
- g) Review management's implementation of its risk policies and procedures, to assess whether they are being followed and are effective;
- h) To provide advice to the Board on risk strategies and coordinate the activities of the various standing Board Committees for risk oversight;
- i) To review internal systems of formal and informal communication across divisions and control functions to encourage the prompt and coherent flow of risk-related information within and across business units and, as needed, the prompt escalation of information to senior management (and to the Board or Board Committees as appropriate);
- j) To consider and examine such other matters as the BRC considers appropriate; and
- k) To consider any other matters as defined by the Board.

### **13. REVIEW**

This Terms of Reference shall be assessed, reviewed and updated where necessary. It should also be reviewed and updated when there are changes to the direction or strategies of the Group that may affect the BRC's role. All amendments to the Terms of Reference, as recommended by the BRC, must be approved by the Board.

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