

**OVERSEA ENTERPRISE BERHAD**  
(Company No. 317155-U)  
(Incorporated in Malaysia)

**TERMS OF REFERENCE**

**Risk Management Committee (“RMC”)**

**Composition of members**

RMC shall comprise executive and/or non-executive directors as well as key management team. They are:-

Name	Designation
• Chiam Soon Hock <i>(Independent Non-Executive Director)</i>	Chairman
• Yu Suat Yin <i>(Alternate to Executive Director)</i>	Member
• Yap Teck Beng <i>(Key Management Team)</i>	Member
• Soh Jin Yiat <i>(Key Management Team)</i>	Member

**Purposes**

The purpose of the RMC shall be to assist the Board of Directors (“**the Board**”) in fulfilling its corporate governance in overseeing the responsibilities with regards to identification, evaluation and mitigation of operational, strategic and external environment risks.

The RMC has overall responsibility for monitoring and approving risk policies, practices of the Company. The RMC is also responsible for reviewing and approving risk disclosure statement in any public documents or disclosures.

Main objectives:-

- To facilitate the Audit Committee to drive the process to instill risk management culture and awareness in the organisation.
- To review and approve risk registers.
- To review and adopt strategies used to manage the risk.

## Term of Reference of RMC – cont'd

- To review and approve annual risk management plan, profile and strategies to manage the risk.

### Secondary objectives:-

- Advising the Board on the risk profile and appetite of the Company and as part of this process overseeing the risk assurance process within the Company.
- Acting on behalf of the Board, to ensure that appropriate mechanisms are in place with respect to risk identification, risk assessment, risk assurance and overall risk management.
- Continual review of the Company's risk management policy including making recommendations for amendment of that policy to the Board.
- Ensuring that there are adequate training arrangements in place so management at all levels are aware of their responsibilities for risk management.
- Where necessary, obtaining appropriate external advice to ensure that risk management processes are up to date and appropriate to the circumstances of the Company.
- Ensuring that best practices in risk management are used by the Company, including obtaining and implementing external advice where necessary.

## **Committee Membership and Organisation**

The RMC shall be appointed by and will serve at discretion of the Board. The RMC shall consist of no less than three (3) members. The member of RMC shall be appointed by the Board.

### **Meeting and Quorum**

#### **a. Quorum**

At least one (1) member, being non-independent executive directors, and at least two (2) key management staff present, shall form the quorum for the meeting of the RMC.

#### **b. Meeting**

The RMC 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. The Chairman may call for additional meetings at any time at the Chairman's discretion.

Internal Auditor, other Board members and any other relevant personnel may attend meetings upon the invitation of the RMC.

Notice of RMC Meeting shall be given to all the RMC members at least seven (7) days prior to each meeting unless the RMC waives such requirement.

## Term of Reference of RMC – cont'd

### c. **Minutes**

Minutes of each meeting shall be distributed to each member of the RMC and also to other members of the Audit Committee for notation.

### **Reporting**

The RMC shall report to the Audit Committee the proceedings, findings and recommendations of each meeting.

### **Duties and Responsibilities**

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

1. The RMC shall annually review the risk management policy, associated framework, processes and practices of the Company and recommending the same for the Board for approval.
2. The RMC shall review and assessing the measures taken by the Company to achieve prudent balance between risk and reward in both ingoing and new business activities.
3. The RMC shall evaluate significant risk exposures of the Company and assess management's actions to mitigate the exposures in timely manner. This includes one-off initiatives, and ongoing activities such as business continuity planning and disaster recovery planning and testing.
4. The RMC shall coordinate its activities with the Audit Committee in instances where there is any overlap with audit activities. For example, internal audit issue relating to risk management policy or practice.
5. The RMC may form and delegate authority to sub-committee when appropriate.
6. RMC shall make the regular reports to the Audit Committee.
7. The RMC shall review and reassess the adequacy of the terms of reference, if necessary and recommend and proposed changes to the Board for approval.
8. The Board shall review the performance of the RMC annually.
9. The RMC shall have access to any internal information necessary to fulfill its oversight role. The RMC shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.
10. Review the annual risk management plan, risk profile and strategies to ensure their comprehensiveness and effectiveness.
11. Review and approve risk registers.

Term of Reference of RMC – cont'd

12. In conjunction with the Audit Committee, reviewing the Statement on Risk Management and Internal Control with reference to risk management and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, prior to endorsement by the Board.

*Version 1* - 2010  
*Version 2* - 20 February 2017