

**CYPARK RESOURCES BERHAD**

(Company No. 642994-H)

(Incorporated in Malaysia)

**TERMS OF REFERENCE OF RISK MANAGEMENT COMMITTEE**

**(Revised and adopted on 22 March 2018)**

**1. Objectives**

The principal objective of the Risk Management Committee is to assist the Board of Directors in their responsibilities to oversee the Company's risk management framework and policies, which includes identifying, analysing, evaluating, managing and monitoring potential and significant financial and non-financial risks.

**2. Composition of members**

The Board of Directors shall elect the Risk Management Committee members from amongst themselves, composed of not less than three (3) non-executive directors.

**3. Chairman**

The Chairman of the Risk Management Committee shall be elected from amongst the Risk Management Committee members. The Chairman of the Risk Management Committee shall be a non-executive director and approved by the Board of Directors.

**4. Secretary**

The Secretary of the Risk Management Committee shall be the Company Secretary of the Company and the person(s) appointed by the Risk Management Committee from the Legal Division within the Cypark Group.

**5. Term of Office**

The Board of Directors of the Company shall review annually the term of office and performance of the Risk Management Committee and each of its members, who are subject to re-appointment by the Board annually.

**6. Meetings**

The Risk Management Committee may meet together for the despatch of business, adjourn and otherwise regulate their meetings, at least four (4) times per year or more frequently as deemed necessary. The Chairman may call for additional meetings at any time at the Chairman's discretion.

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(Terms of Reference of Risk Management Committee - cont'd)

Notice of Risk Management Committee Meetings shall be given to all the Risk Management Committee members at least three (3) days prior to each meeting unless the Risk Management Committee waives such requirement.

Questions arising at any meeting of the Risk Management Committee shall be decided on a majority of votes of the members present, and in the case of equality of votes, the Chairman of the Meeting shall have a second or casting vote.

In the absence of the Chairman, the members can elect from amongst themselves the Chairman of the Meeting.

**7. Minutes**

Minutes of each meeting shall be kept at the registered office and distributed to each member of the Risk Management Committee and also to other members of the Board for notation.

The minutes of the Risk Management Committee 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.

**8. Quorum**

A quorum shall consist of two (2) members.

**9. Circular Resolutions**

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

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(Terms of Reference of Risk Management Committee - cont'd)

**10. Reporting**

The Risk Management Committee shall report to the Board of Directors the proceedings, findings and recommendations discussed at each meeting and on any specific matters referred to it by the Board.

**11. Authority**

The Risk Management Committee shall, in accordance with a procedure or process to be determined by the Board of Directors and at the expense of the Company, have authority to make decisions on whether the Company has acted in good faith in relation to its contracts, review the risk management framework of the Company and make recommendations to the Board in an advisory capacity.

**12. Duties and Responsibilities**

The duties and responsibilities of the Risk Management Committee are as follows:-

- To assess and monitor all risks associated with the operations of the Company.
- To develop and implement internal compliance and control systems and procedures to manage risk.
- To review and make recommendations to the Board on key risk policies and strategies for the Board's approval.
- To recommend or advise the Board on significant proposed changes to risk management policies and strategies.
- To review together with other Committees, the Management and the Auditors of the Company, any significant risk and exposures and assess the steps taken to minimise such risk to the Group.
- To monitor the risks associated with all material outsourcing agreements.
- To review reports on compliance with risk management policies and recommend action where necessary.
- To benchmark risk management exposure of the Group against other leading integrated companies.

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(Terms of Reference of Risk Management Committee - cont'd)

- To deliberate, and subject to the facts and representations made by the Management of the Company, decide on whether the Company has acted in good faith in relation to its contracts.
- To act in line with the directions of the Board of Directors.
- To consider and examine such other matters as the Risk Management Committee considers appropriate.
- To consider any other matters as defined by the Board.