

SUNWAY BERHAD

TERMS OF REFERENCE OF RISK MANAGEMENT COMMITTEE

1. COMPOSITION

- a. 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.
- b. The Chairman of the Committee shall be elected from one of the Independent Directors.
- c. 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.
- d. The Board shall have the discretion as it deems fit to rescind and/or revoke the appointment of any person(s) in the Committee.

2. ROLES AND RESPONSIBILITIES

The Committee 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.

The Committee is accountable to the Board and is responsible to advise the Board on the adequacy and effectiveness of the risk management framework.

The Committee's main roles and responsibilities include the following:-

- approving appropriate risk management framework and measurement methodologies across the Group;
- reviewing and recommending risk management strategies, policies and level of risk tolerance for the Board's approval;
- identifying, assess and monitor key business risks and review the extent to which key business risks are being managed;
- ensuring infrastructure, resources and systems are in place and adequate for risk management;
- reviewing management's periodic reports on risk exposure, risk portfolio composition and risk management activities;
- reviewing the enterprise risk rating and determine the critical risks to be escalated to the Board on a quarterly basis; and
- working with the Chief Financial Officer and Group 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 and Board.

The Committee shall be assisted by the Group Risk Management Division.

TERMS OF REFERENCE OF RISK MANAGEMENT COMMITTEE

3. AUTHORITY AND ACCESS TO RESOURCES

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 terms of reference.

The Committee is authorised to make recommendations to the Board regarding appropriate actions 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.

4. MEETINGS

- a. The Committee shall meet at least quarterly in a year. Additional meetings may be called at any time at the Committee Chairman's discretion.
- b. The quorum for the meeting shall be 2 members.
- c. The Committee shall maintain minutes of each meeting of the Committee and each written consent action taken without a meeting, reflecting the actions so authorised or taken by the Committee. The minutes of each meeting and all consents shall be placed in the minutes book.

5. REPORTING

The Chairman of the Committee shall report the proceedings of each Committee meeting to the Board.

6. SECRETARY

The Secretary to the Committee shall be the Company Secretary.