



**NTPM HOLDINGS BERHAD
RISK MANAGEMENT COMMITTEE
TERMS OF REFERENCE**



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MEMBERS

Mr. Lee Chong Choon (Chairman)	Executive Director
Mr. Lim Han Nge	Senior Independent Non-Executive Director
Mr. Chang Kong Foo	Independent Non-Executive Director

TERMS OF REFERENCE

1. OBJECTIVE

The Risk Management Committee ("RMC" or "Committee") is responsible for reviewing and recommending the risk management policies and strategies for the Group. It assists the Board to fulfil its corporate governance, risk management and statutory responsibility in order to manage the overall risk exposure of the Group to safeguard shareholders' investments and the Company's assets.

2. COMPOSITION

- i. The Committee shall be appointed by the Board from among its members and shall consist of not less than three (3) members of whom majority are independent. At least one (1) member of the Committee must be a member of Audit Committee of NTPM Holdings Berhad ("NTHB").
- ii. The Chairman and members of the Committee shall be elected among members of the Board of NTHB ("Board").
- iii. All the members of the Committee, including Chairman, will hold office only so long as they serve as Directors of the Company and have not been removed from the Committee by the Board.
- iv. In the event that a member of the Committee resigns, dies or for any reason ceases to be a member with the result that the number is reduced below three (3), the Board shall, within three (3) months of that event, fill the vacancy.

3. SECRETARY TO RMC

- i. The Company Secretary shall be the secretary of the Committee or in her absence, another person authorised by the Chairman of the Committee.
- ii. The Secretary of the Committee shall be responsible for drawing up the agenda in consultation with the Chairman of the RMC. The agenda together with relevant explanatory papers and documents shall be circulated to the Committee members prior to each meeting.
- iii. The Secretary shall be responsible for keeping the minutes of the meeting of the Committee, circulating them to all members of the Board.

4. PROCEEDINGS OF THE COMMITTEE

- i. The Committee shall meet at least four (4) times a year. The Chairman of the Committee will highlight any major issues and any items requiring resolution by the Board.
- ii. The Chairman shall convene a meeting of the Committee if requested to do so by any member to consider any matters within the scope and responsibilities of the Committee.
- iii. The Chairman of the Committee, or the Secretary of the Committee on the requisition of the Members, shall at any time summon a meeting of the Members by giving due notice.
- iii. The Chairman of the Committee shall chair the Committee meetings and in his absence, the Members present shall elect one of their Members to be Chairman of the meeting.
- v. The Minutes of each meeting shall be entered into the Minutes book kept at the registered office of the Company under custodian of the Company Secretary. The Minutes book shall be opened for the inspection by the Board, management or other persons deemed appropriate by the Company Secretary.

5. QUORUM

A quorum shall consist of 2 Committee members.

6. ATTENDANCE BY INVITATION

- i. The Committee may, as and when deemed necessary, invite other Board members and Senior Management of the Group to attend the meetings.

- ii. Appropriate officer of the Company or professional advisors may be invited to attend the meeting where the Committee considers their presence necessary.

7. COMMUNICATION TO THE BOARD

- i. Each business unit has its own Risk Management Unit ("RMU") which consists of managers and key staff. Each RMU is tasked to identify major business and compliance risks concerning their respective business units, overseas and ensures integration of risk management into their business processes to safeguard the interest of the Group covering strategic, operations, factories' facilities, sales, human resource, finance and compliance risks.
- ii. The RMU of each business unit reports to the RMC and the RMC will then meet to discuss and evaluate the RMU's reports for adoption. The RMC will present the Group's Risk Report and updates the Audit Committee every three months on the statuses of the Group's Enterprise Risk Management ("ERM") process, changes in risk profiles and their control in place.
- iii. Upon conclusion of each meeting, the RMC Chairman shall report to the Board of Directors the activities that it had undertaken and the key recommendations for the Board's consideration and decision. Thereafter, the implementation status or progress of key recommendations from previous RMC meetings shall be reported to the Board.
- iv. The minutes of each RMC meeting shall be tabled to the Board for notation.
- v. The RMC may from time to time submit to the Board its recommendation on matters within its purview, for the Board's decision.

8. AUTHORITY OF THE RMC

The Committee is authorised by the Board to review, recommend and approve any matters within its Terms of Reference. The Committee shall:

- i. Perform the activities required to discharge its responsibilities and make the relevant recommendations to the Board;
- ii. Have the resources which are required to perform its duties;
- iii. Have full and unrestricted access to all information, documents and officers of the Company and the Group for the purpose of discharging its functions and responsibilities. It is authorised to seek any information it requires from any employee and all employees are directed to cooperate on any request made by the Committee; and

- iv. Be able to obtain professional advice as it considers necessary at the expense of the Company for the Committee to carry out its duties.

9. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Committee shall be:

- a) Review and recommend the Group Risk Management Policy Framework which specifies key policies, strategies and risk appetite, for approval by the Board;
- b) Ensure that a structured risk management framework is in place;
- c) Review the Group risk profile and risk management reports which include management's action plan and implementation status from the management;
- d) Monitor the risk management exposure of the Group;
- e) Recommend or advise on significant proposed changes to risk management policies and strategies;
- f) Review together with other Committees, the Management, Group Internal Audit and External auditors, and significant risks and exposures that exist and assess the steps that the Management has taken to minimize such risk to the Group;
- g) Determine that there is a robust process in place for identifying, managing and monitoring critical risks; oversee execution of that process; and ensure it is continuously improved as the business environment changes;
- h) Oversee the conduct and review the results, of company-wide risk assessments, including the identification and reporting of critical risks;
- i) Review reports on compliance with risk management policies and recommend actions where necessary;
- j) Provide advice to the board on the risk strategies and coordinate the activities of the various standing board committees for risk oversight;
- k) Promote a healthy risk culture and watch for dysfunctional behaviour that could undermine the effectiveness of the risk management process;
- l) Review the adequacy of the scope, functions, competency and resources of the RMC and ensure that it has the necessary authority to carry out its work;

- m) Consider and evaluate other matters as judged appropriate by the Committee or as authorised by the Board;
- n) Report to the Board on an exception basis, where required, and routinely on matters of regular interest of the Board; and
- o) All recommendations and findings of the Committee shall be submitted to the Board for approval and notation.

10. REVIEW

The Terms of Reference shall be reviewed by the Committee as and when required. All amendments to the terms of reference must be approved by the Board.