

**CONFIDENTIAL**



**SARAWAK CONSOLIDATED INDUSTRIES BERHAD**  
**TERMS OF REFERENCE FOR RISK MANAGEMENT COMMITTEE**  
**(Approved by the Board of Directors on 17 June 2020)**

**THE CONTENT**

Purpose  
Page 3

Appointment /  
Composition  
Page 3

Authority  
Page 3

Roles and Responsibilities  
Page 3

Frequency and  
Attendance  
Page 4

**1. PURPOSE**

Risk Management Committee ("RMC") shall be responsible to the Board of Directors ("Board") for matters pertaining to assessment, management and control of Sarawak Consolidated Industries Berhad ("SCIB") principal risks.

**2. APPOINTMENT / COMPOSITION**

The Committee shall be appointed by the Board and shall consist of not less than three (3) members consist exclusively of Non-Executive Directors of whom the majority are independent.

An Alternate Director shall not be appointed as a member of the Committee.

The members of the Committee shall elect a Chairman from amongst their number who shall be an Independent Director and the Chairman of the Committee shall be approved by the Board and shall be an independent Non-Executive Director.

If at any meeting the Chairman is not present, the Directors present may choose one of their members to be Chairman of the meeting.

The Committee may invite any relevant persons to any particular RMC meeting.

**3. AUTHORITY**

The Committee shall, in accordance with a procedure to be determined by the Board and at the cost of SCIB:

- Have the authority to investigate any activity within its terms of reference;
- Have the resources which are required to perform its duties;
- Have full and unrestricted access to any information pertaining to SCIB; and
- Be able to obtain independent professional or other advice.

**4. ROLES AND RESPONSIBILITIES**

The Committee's primary roles and responsibilities are as follows:

- To identify, analyze, assess, treat and monitor the principal risks of SCIB Group;
- To continuously review the risk management practices of SCIB Group;
- To advise the Management on the resources and internal controls required to manage risk;
- To review any related party transaction and conflict of interest situation that may arises within SCIB Group including any transaction, procedure or course that raises questions of Management integrity;
- Obtaining the Board approval for SCIB Group risk management reviews and plans; and
- Reporting to Audit Committee ("AC") on the status of the approved risk management practices.

## **5. FREQUENCY AND ATTENDANCE**

- The Committee shall hold at least four (4) regular meetings a year and such additional meetings as the Chairman shall decide in order to fulfill its duties. The Committee may invite any person to any particular RMC meeting, specific to the relevant meeting.
- The Committee shall update result of quarterly risk assessment & its mitigation, in particular of corruption risk which shall elaborate on risk rating of initially identified risks, to signify improvement of the risk measure, which also shall be incorporated in the Risk Management Framework.
- SCIB shall conduct corruption risk assessments on a quarterly basis, or in event there is a change in law or circumstance of the business to identify, analyse, assess and priorities the internal and external corruption risks of SCIB.
- SCIB shall conduct comprehensive risk assessment on an annual basis.
- A quorum of the Committee shall be two (2) members and majority of members present must be Independent Directors.
- The Company Secretary shall be the Secretary of the Committee.
- The minutes of each meeting shall be tabled at the Board Meeting of SCIB.