

IPMUDA BERHAD
(22146-T)
(Incorporated in Malaysia)

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TERMS OF REFERENCE OF THE BOARD RISK COMMITTEE

1. INTRODUCTION

This is the Board Risk Committee (“BRC”) terms of reference for Ipmuda Berhad and Group of Companies (“Group”).

The BRC is appointed by the Board of Directors of Ipmuda Berhad for the purpose of overseeing the risk management process and compliance within the Group.

The terms of reference governs the processes of the Committee and outlines the procedures and guidelines in relation to its risk governance and compliance role.

2. BOARD RISK COMMITTEE

The Board of Directors has the overall responsibility for risk oversight and risk management within the Group. As a committee of the Board, the BRC is responsible to the Board for:

- i. leading the Group’s strategic direction in the management of the Group’s business risks;
- ii. oversee on the establishment and implementation of a risk management and compliance framework;
- iii. reviewing the effectiveness of the risk management framework in identifying and managing risks and internal processes which include but not limited to ensuring the adequacy of risk management policy and infrastructure to facilitate the implementation of action plans for risk management.

The objectives of the framework are to ensure the provision of quality product and services, process and procedures, and direct the risk culture and processes throughout the Group to take advantage of opportunities while managing and monitoring risks that may adversely affect the Group’s achievement of its business objectives.

3. COMPOSITION

The Committee shall comprise of at least three (3) members, at least two (2) of whom must be independent non-executive directors. The Board shall appoint an independent non-executive director from amongst one of these members as the Chairman of the Committee. If a member retires or resigns from his position, that member ceases to be member of the Committee. The Board may appoint a successor.

No alternate director is to be appointed a member of the Committee.

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4. MEETINGS

The Committee shall meet at least three (3) times a year and such additional meetings as the Chairman shall decide in order to fulfill its duties.

The Managing Director and/or the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Head of Risk Management and Compliance shall attend the Committee meetings by invitation. Other senior management team may attend the meeting also upon the invitation of the Committee. The Committee may obtain external professional advice and assistance to enable it to discharge its duties as it considers appropriate.

A resolution in writing signed or approved via letter, telex or facsimile by all Committee members shall be effective for all purposes as a resolution passed at a meeting of the Committee duly convened, held and constituted. Any such resolution may be contained in a single document or may consist of several documents all in the like form signed by one or more members.

5. DUTIES AND RESPONSIBILITIES

In order to fulfill its responsibilities to the Board, the Committee shall undertake the following:

- a. To assist the Board in overseeing matters relating to the management of strategic, operational, financial and compliance risks associated with the Company;
- b. To review and recommend risk management philosophy and strategy to the Board;
- c. To approve policies and procedures to effectively identify, measure, monitor and control the Company's risk and compliance exposure, in line with the Board's approved risk management philosophy and strategy;
- d. To review and propose the setting of the risk appetite/tolerance of the Company at the enterprise and strategic business unit levels;
- e. To ensure the Company adheres to the established policies and procedures in relation to risk management, and compliance to applicable laws, regulations and guidelines;
- f. To review and approve (with the advice from the Risk Management and Compliance Department) new business initiatives, which may be fundamentally different from the Company's existing business;
- g. To review and approve authorisation limits in accordance with the policies and procedures approved by the Board;
- h. To review and approve products and/or services, including pricing;

- i. To approve the appointment, dismissal and remuneration as well the performance appraisal of the Head of Risk Management and Compliance;
- j. To endorse any changes in the resources required by the Risk Management and Compliance Department

6. NOTICE

Three (3) days' notice specifying the place, date and hour of the meeting and the business to be discussed thereat shall be given to all the Committee members and any other person that may be required to attend.

7. QUORUM

The quorum for each meeting of the Committee shall consist of two (2) members present, both of whom must be independent directors and any decisions shall be a simple majority.

8. SECRETARY AND MINUTES

The Company Secretary shall act as Secretary of the Committee.

The Secretary shall also be responsible for keeping the minutes of meetings of the Committee and circulating them to the Committee members

9. REPORTING TO THE BOARD

The Committee shall report to the Board following each meeting. The report will cover on the matters as set out in the Committee's duties and responsibilities.

10. ACCESS TO INFORMATION

The Committee can seek information directly from the Group's employees or external party, including the Group's auditors and other professional advisers.

11. REVIEW

The terms of reference shall be reviewed from time to time to ensure that it reflects current best practice in corporate governance and risk management. Board approval is required for any changes in the term of reference.