

# **SARAWAK CABLE BERHAD (456400-V)**

**(Incorporated in Malaysia)**

## **RISK MANAGEMENT COMMITTEE**

### **TERMS OF REFERENCE**

#### **1. Constitution**

The functions and authority of the Risk Management Committee (“RMC” or “the Committee”) extend to Sarawak Cable Berhad (“the Company”) and all its subsidiary companies, collectively referred to as (“the Group”).

#### **2. Primary Objectives**

The RMC has been formed with the following objectives:

- (a) ensure there is a sound framework and policy for risk management and internal control;
- (b) understand the principal risks of the Group’s business and recognise that business decisions involve the taking of appropriate risks; and
- (c) set the risk appetite within which the board expects management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks.

#### **3. Composition**

- (a) The RMC shall comprise of three (3) members as follows:
  - Chairman - Datuk Kevin How Kow
  - Member - Datuk Rozimi Bin Remeli
  - Member - Encik Redzuan Bin Rauf
- (b) All members shall hold office only for so long as they serve as Directors of the Company.
- (c) The Secretary of the Committee shall be the Group Company Secretary.
- (d) The Committee shall be supported and facilitated by the Head of Risk Management at all times to carry out the risk management functions of the Group as directed by the Committee.

#### **4. Quorum**

The quorum for the meeting shall be two (2) members.

In the absence of the Chairman of the Committee, the members present shall elect one (1) of their members to chair the meeting.

#### **5. Meetings and minutes**

The RMC shall meet at least twice a year. Additional meeting may be held as considered necessary by the Chairman or members of the RMC. The Head of Risk Management may propose to the RMC if a meeting is necessary to decide on significant risks issue related to the Group's operations.

Minutes of the meeting shall be prepared and distributed to each member of the RMC. The Chairman of the RMC shall report on each meeting to the Board of Directors ("the Board").

The Secretary of the RMC shall draw up an agenda to circulate to all RMC members before each meeting.

#### **6. Authority and Duties**

The main duties of the RMC are as follows:

- (a) establishes with the primary responsibility of ensuring effective functioning of the RMC of the Group;
- (b) to provide direction, oversight and advice to the risk management processes;
- (c) to monitor significant risks exposure with significant business impact that need special attention by each operations head;
- (d) to review the risk management framework, policy and processes to ensure they remain relevant and effective;
- (e) to advise the Board on risks related issues and recommend strategies, policies and risk tolerance for Board information and approval as appropriate;
- (f) to review and provide on the due diligence on corporate proposals and strategic transactions involving acquisitions or disposals in the Group with amount exceeding RM10 million, other than those in the ordinary course of business;

- (g) to review and provide risks assessment on the formation, liquidation, merger, corporate restructuring or reorganisation of resources of the Group;
- (h) to review major agreements/contracts on the set up of new businesses, joint ventures and strategic alliance not in the ordinary course of business; and
- (i) to have authority to seek for financial or non-financial information from any officer or employee of the Group in relation to business operations.

## **7. Support**

- (a) The RMC shall be supported and facilitated by the Head of Risk Management. The Head of Risk Management is authorised to obtain relevant financial or non-financial information from the respective company's operations head or head of departments or the appointed Champion of each subsidiary company's Risk Committee. The respective company shall be required to respond officially to such enquiries and furnish to the Head of Risk Management promptly the information requested by him.
- (b) The Head of Risk Management shall make recommendations on proposed strategies or risk action plan to the RMC in relation to his assessment of all risks related issue in the Group. The Head of Risk Management will report directly to RMC.