



APB Resources Berhad

Registration No.: 200101029080 (564838-V)

TERMS OF REFERENCE REMUNERATION COMMITTEE

TERMS OF REFERENCE OF RISK MANAGEMENT COMMITTEE

1 Name of Committee

Risk Management Committee of APB Resources Berhad ("Committee")

2 Objectives

The primary objective of the Risk Management Committee is to put in place adequate and effective risk management framework to manage risks to achieve business objectives and provide reasonable assurance to the Board of Directors and other stakeholders on the state of internal controls of the Company and its ability to increase shareholders' value and confidence.

3 Composition of members

The Board of Directors shall elect the Committee members from amongst themselves. The Risk Management Committee shall consist of not less than three members, wholly or mainly of whom are Independent and Non- Executive Directors.

3. Chairman

The Chairman of the Committee shall be appointed by the Board and shall be an independent non-executive director and shall not be the Chairman of the Board. In the absence of the Chairman in any meeting, the remaining members present shall elect one (1) of themselves to chair the meeting.

4 Secretary

The Secretary of the Committee shall be the Company Secretary of the Company.

5. Meetings

The Committee may meet together to transact the business, adjourn and otherwise regulate their meetings, at least four (4) times a financial year or more frequently as deemed necessary. The Chairman may call for additional meetings at any time at the Chairman's discretion.

The Secretary shall on the requisition of the members of the Committee summon a meeting of the Committee except in the case of an emergency, seven (7) business days' notice of every Committee meeting shall be given in writing.

The Committee may pass circular resolutions in writing, signed by all the members, which shall be valid and effectual as if it is passed at a meeting of the Committee duly convened and held.

6. Quorum

The quorum for meetings shall be at least two (2) members, of whom the majority present shall be an independent director. A duly convened meeting of a Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

7. Authority

- (a) The Risk Management Committee is granted the authority to oversee the overall management of all risk of the Group within its terms of reference, and all employees are directed to co-operate as requested by the members of Committee.
- (b) The Risk Management Committee shall have direct communication channels with the Independent Auditors and person(s) carrying out the internal audit function or activity, if requires.
- (c) The Risk Management Sub-Committee report directly to the Risk Management Committee and shall have direct access to the Chairman of the Risk Management Committee on all matters of internal controls.

8 Duties and Responsibilities

The duties and responsibilities of the Committee are as follows:

- (a) To evaluate the effectiveness of the internal control system and risk management framework adopted within the Group and to be satisfied that the methodology employed allows identification, analysis, assessment, monitoring and communication of risks in a regular and timely manner that will allow the Group to mitigate losses and maximize opportunities.
- (b) To recommend to the Board steps to improve the system of internal control derived from proposed internal control through the identified potential risk by the Risk Management Sub- Committee.
- (c) To undertake reviews of the consolidated risk register of major subsidiaries and associates within the Group to identify significant risks and whether these are adequately managed.
- (d) To ensure that the Board receives adequate and appropriate information including the annual risk report for decision making and review respectively.
- (e) To commission where required, special projects to investigate, develop or report on specific aspects of the risk management processes of the Company.
- (f) To review and propose the Company's risk appetite and its acceptable tolerance level annually.
- (g) To review the adequacy of the infrastructure, resources, processes and system are in place for risk management.

9. Review of the Terms of Reference

The Terms of Reference of the Committee shall be reviewed and amended as necessary to determine its adequacy in line with the current circumstances, the Company's policies and applicable rules and regulations.