



**DAMANSARA**  
REALTY BERHAD (4030-D)

# BOARD RISK MANAGEMENT COMMITTEE

## TERMS OF REFERENCE

Updated as at 12 March 2018

## **BOARD RISK MANAGEMENT COMMITTEE (BRMC)**

### **TERMS OF REFERENCE (TOR)**

#### **1.0 DEFINITIONS AND INTERPRETATION**

1.1 In these TOR, the following expressions shall have the following meanings:-

“Board”	The Board of Directors of DBHD;
“Committee”	Board Risk Management Committee;
“Company Secretary”	Company Secretary of DBHD, or failing him, any other person authorized by the Committee;
“RMU”	Risk Management Unit, Corporate Planning and Transformation Division;
“Independent Director”	A director as defined in Chapter 1 of the Listing Requirements of Bursa Malaysia;
“Member”	A member of the Committee as appointed pursuant to this TOR;
“Secretary”	Secretary of the Committee;
“.... “Company”	DBHD
“.....Group”	DBHD and its subsidiaries and associated companies;

1.2 In this TOR, unless the context otherwise requires:

1.2.1 words importing the masculine gender shall include the feminine gender, neuter genders and vice versa; and

1.2.2 words importing the singular number shall include the plural number and vice versa.

#### **2.0 OBJECTIVES OF THE COMMITTEE**

The principal objective of the Committee is to assist the Board in ensuring the effective functioning of the RMU within Group DBHD and to provide oversight, direction and counsel to the risk management process and to advise the Board on risk related issues and recommend strategies, policies and risk tolerance for the Board approval.

### **3.0 COMPOSITION OF THE COMMITTEE**

- 3.1 The Board shall appoint the Members with a majority of them being Independent Directors;
- 3.2 The period of appointment shall be concurrent with their tenure on the Board unless otherwise decided by the Board;
- 3.3 The composition of the Committee must not be less than three (3) Members;
- 3.4 Where the Members for any reason are reduced to less than three (3), the Board shall within three (3) month of the event, appoint such number of new Members as may be required to make up the minimum number of three (3) Members;
- 3.5 The Board shall elect a Chairman from the Committee; and
- 3.6 Members of the Committee may relinquish their membership in the Committee with prior written notice to the Secretary and may continue to serve as Director of the Company.

### **4.0 SECRETARY OF THE COMMITTEE**

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

### **5.0 COMMITTEE MEETINGS**

- 5.1 The Committee shall convene meeting once in a year. The Committee shall meet as required to report and make recommendation (if any) to the Board.
- 5.2 The number of Committee meetings held in a year and the details of attendance of each individual Member in respect of meetings held should be disclosed annually in the Annual report.
- 5.3 The Chairman of the Committee, or the Secretary on the requisition of the Members, shall at any time summon a meeting of the Members by giving reasonable notice.
- 5.4 No business shall be transacted at any meeting of the Committee unless a quorum is present. In order to form a quorum, the majority of members must be Independent Directors, with a minimum of two (2) Members
- 5.5 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.
- 5.6 In appropriate circumstances, the Committee may deal with matters by way of circular reports and resolution in lieu of convening a formal meeting.
- 5.7 Appropriate officers of the Company or professional advisors may be invited to attend meetings where the Committee considers their presence necessary.

- 5.8 All recommendations and findings of the Committee shall be submitted to the Board for approval.

## **6.0 DUTIES, RESPONSIBILITIES AND FUNCTIONS OF THE COMMITTEE**

- 6.1 The duties, responsibilities and functions are as follows: -
- 6.1.1 Review and recommend appropriate risk management strategies, policies and risk tolerances in with DBHD Group business objectives for the Board's approval;
  - 6.1.2 Ensure the implementation of the RMU and review the adequacy and integrity of the same in identifying, assessing and managing risk and in establishing DBHD Group's risk appetite;
  - 6.1.3 Discuss with management on action taken to improve the ERM framework based on the risk identified in the Risk Management reports;
  - 6.1.4 Review the adequacy of the scope, functions, competency and resources of the RMU and ensure that it has the necessary authority to carry out its work;
  - 6.1.5 Consider and evaluate other matters as judged appropriate by the Committee or as authorized by the Board; and
  - 6.1.6 All recommendations and findings of the Committee shall be submitted to the Board for approval and notation.

## **7.0 AUTHORITIES OF THE COMMITTEE**

- 7.1 The Committee is authorised by the Board to review, recommend and approve any matters within its TOR. The Committee shall have;
- 7.1.1 The Authority to investigate into any activities within its TOR. It is authorized to seek any information it requires from any employee and all employees are directed to cooperate on any request made by the Committee;
  - 7.1.2 The Authority to obtain outside legal or other independent professional advices and to secure the attendance of outside parties with relevant experience and expertise, if it consider necessary;
  - 7.1.3 Direct communication channels with RMU; and
  - 7.1.4 The Authority to convene meeting with RMU excluding the attendance of other Directors and employees of DBHD Group, whenever deemed necessary;

## **8.0 HEAD OF CORPORATE PLANNING AND TRANSFORMATION**

- 8.1 Head of Corporate Planning and Transformation shall coordinate the overall Enterprise Risk Management (“ERM”) practices within DBHD Group of Companies and shall be the person appointed to the post by DBHD.
- 8.2 Head of Corporate Planning and Transformation shall advise or update the Committee on matters pertaining to risk policies and procedures as well as best practices.
- 8.3 Head of Corporate Planning and Transformation shall ensure that the Board Papers and risk matters comply DBHD’s ERM Procedures and framework by signing the Declaration attached to the Board Papers.
- 8.4 Head of Corporate Planning and Transformation in consultation with the originating department shall ensure that the paper is updated with latest material information prior to tabling to the Committee so as to assist the Board in making an informed decision.

## **9.0 DISCLOSURE**

The Committee shall assist the Board in making certain disclosures concerning the activities of the Committee such as in the Corporate Governance Statement to be issued in the Annual Report.

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