



DAMANSARA
REALTY BERHAD 196001000367 (4030-D)

BOARD RISK MANAGEMENT COMMITTEE

TERMS OF REFERENCE

Updated as at 19 February 2020

TERMS OF REFERENCE (TOR)

1.0 DEFINITIONS AND INTERPRETATION

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

“Annual Report”	The Company’s annual report;
“Board”	The Board of Directors of DBHD;
“CARM”	Group Contract Advisory and Risk Management Division;
“Committee”	Board Risk Management Committee;
“Company Secretary”	Company Secretary of DBHD, or failing him, any other person authorized by the Committee;
“DBHD”	Damansara Realty Berhad and its group of companies;
“RMD”	Risk Management Department, Group Contract Advisory and Risk Management 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 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 RMD within DBHD Group and to provide oversight, direction and counsel to the risk and compliance management process and to advise the Board on risk and compliance related issues and recommend any risk and compliance related strategies, policies and tolerance for the Board's 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) months 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

The Secretary of the Committee shall be the Company Secretary.

5.0 COMMITTEE MEETINGS

- 5.1 The Committee shall convene a meeting at least 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 the 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 To determine DBHD's level of risk tolerance; ensure there is a process in place to identify, manage and monitoring risks; and to implement necessary controls to pursue the group's objectives;
 - 6.1.2 To ensure RMD implements and reviews the adequacy and integrity of the risk management framework in identifying, managing and monitoring all risks, as well as establishing DBHD's risk appetite;
 - 6.1.3 To ensure DBHD adopts a risk management framework that is based on a standard and reasonable practice of risk management framework;
 - 6.1.4 To oversee and provide timely input to the management of DBHD to improve the risk management framework as the business environment changes;
 - 6.1.5 To oversee the conduct, and review the results, of DBHD's risk assessment, including the identification and reporting of risks;
 - 6.1.6 To review the adequacy of the scope, functions, competency and resources of the RMD and ensure that it has the necessary authority to carry out its work;

6.1.7 To advise the Board on risk strategies and coordinate the activities of other Board Committees for risk oversight; and

6.1.8 To ensure that 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, evaluate, 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 advice and to secure the attendance of outside parties with relevant experience and expertise, when necessary;

7.1.3 Direct communication channels with RMD; and

7.1.4 The authority to convene meeting with RMD excluding the attendance of other Directors and employees of DBHD Group, whenever deemed necessary.

8.0 HEAD OF CONTRACT ADVISORY AND RISK MANAGEMENT

8.1 Head of CARM shall oversee the overall risk and compliance management framework within DBHD Group of Companies.

8.2 Head of CARM shall advise or update the Committee on matters pertaining to risk and compliance policies, procedures as well as best practices.

8.3 Head of CARM shall ensure that the Board Papers and risk and compliance matters comply with DBHD's risk management procedures and framework, by signing the declaration attached to the Board's papers.

8.4 Head of CARM 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 and/or the Corporate Governance Report in accordance with Bursa Malaysia Main Market Listing Requirements.

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