

PLB ENGINEERING BERHAD
CO. NO.:199701002728 (418224-X)

Risk Management Committee (RMC)

Terms of Reference

The Risk Management Committee (RMC) seeks to coordinate, review and monitor the identification and management of principal business risks.

The RMC shall focus on strategic and operational risks faced by the Group and its subsidiaries on an ongoing or day-to-day basis.

The committee provides advice on the co-ordination of risk management strategies with the following terms:

- Objective**
- (a) To ensure that a risk management framework is embedded throughout the Group and is within the parameters established by the Board;
 - (b) To co-ordinate activities to obtain a more effective risk management process from existing resources;
 - (c) To ensure that actions required are given the appropriate level of sponsorship and support;
 - (d) To prioritize and accelerate those risk management strategies that are critical to the achievement of corporate objectives; and
 - (e) To ensure compliance with all relevant requirements.
- Authority & scope**
- (a) Whilst the Board still retains ultimate responsibility for risk management and for determining the appropriate level of risk appetite the RMC is established to assist the Board of PLB Engineering Berhad (“the Board”) in providing assurance concerning the Company and/or the Group’s risk profile to the Board.
 - (b) The Board has delegated authority to RMC with a responsibility that encompasses risk management activities within the Group including compliance with the risk management strategy. The RMC reports to the Board.
- Composition**
- (a) The RMC shall be appointed by the Board and shall comprise of not less than three (3) members elected from the Board with a majority being Independent Non-Executive Directors.

PLB ENGINEERING BERHAD
CO. NO.:199701002728 (418224-X)

- (b) The members of the RMC shall elect a Chairman from amongst themselves, preferably an Independent Non-Executive Director.
- (c) In the event of any vacancy in the RMC resulting in the number of members being reduced to below three (3), the Board shall, within three (3) months fill the vacancy.
- (d) Any question arising at any Committee meeting shall be decided by a majority of votes and a determination by a majority of committee. In the case of an equality of votes the Chairman shall have a casting vote.
- (e) Other Board members, senior management and/or other appropriate officers may attend meetings only upon the invitation of the Committee.

**Meetings &
Reporting
Procedure**

- (a) The RMC shall meet at least bi-annually. However, additional meetings may be called at any time at the RMC Chairman's discretion.
- (b) The quorum for the meeting shall be two (2) members.
- (c) The RMC shall appoint a secretary who shall be responsible, with the concurrence of the Chairman of the RMC, for drawing up and circulating the agenda and notice of meetings together with supporting explanatory documentation to all RMC members at least seven (7) days prior to each meeting. If there is a unanimous consent by the members of the Board present in the meeting, a short notice shall suffice.
- (d) The minutes of each RMC meeting shall be circulated to the RMC's members and presented to the Board for its review.
- (e) The RMC reports to the Board of Directors/Audit Committee Chairman at least twice a year (April and October) based on the findings on the adequacy of the risk management system.

**Roles &
Responsibilities**

- (a) Re-establishing risk management context / structure:
 - Formalise the Group's Risk Management Policy ('RMP') including clearly setting out the objectives, strategy and scope of risk management activities for the Group; and
 - Ensure that the Group's risk management strategy,

PLB ENGINEERING BERHAD
CO. NO.:199701002728 (418224-X)

framework and methodology have been implemented and consistently applied.

- Create a high-level risk strategy (policy) aligned with the Group's strategic business objectives;

(b) Re-establishing risk management process:

- Ensure that a well-structured & systematic process exists to ensure comprehensive identification, assessment & management of risks facing the Group;
- Ensuring that the risk management strategy is clearly communicated to relevant personnel of the Group; and
- Provide guidance to the business units on the Group's and business unit's risk appetite and capacity, and other criteria which, when exceeded, trigger an obligation to report upwards to the Board.
- Ensuring that appropriate training in risk awareness & risk management is conducted at key levels.

(c) Re-establishing monitoring and reporting mechanism:

- On quarterly basis, ensure that appropriate reporting and feedback is received from management with regards to risk management activity carried out;
- Responsible for annual reporting on the Group Risk Profile (risks, controls and mitigating action plans) to the Board; and
- Responsible for immediate reporting to the Board on any major changes to the risk profile requiring immediate attention/ notification.

Other matters

The RMC shall:-

1. have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required
2. be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members
3. give due consideration to laws and regulations, the provisions of the Malaysian Code of Corporate

PLB ENGINEERING BERHAD
CO. NO.:199701002728 (418224-X)

Governance 2012 and any other applicable Rules, as appropriate

4. Comprehensive risk assessment yearly for corruption and fraud.
5. oversee any investigation of activities which are within its terms of reference
6. arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board for approval.

Authority

The RMC is authorized :-

1. to seek any information it requires from any employee of the company in order to perform its duties
2. to obtain, at the company's expense, external legal or other professional advice on any matter within its terms of reference
3. to call any employee to be questioned at a meeting of the committee as and when required
4. to review its terms of reference as and when necessary