

**JAG BERHAD**

[Registration No. 199701023733 (439230-A)]  
(Incorporated in Malaysia)

**TERMS OF REFERENCE OF RISK MANAGEMENT COMMITTEE**

(Adopted w.e.f. 23 February 2018)

**1. Objectives**

The principal objective of the Risk Management Committee is to assist the Board of Directors in their responsibilities in reviewing and recommending the risk management policies and strategies for the Company. In addition, the Risk Management Committee shall assist the Board to fulfil its corporate governance, risk management, and statutory responsibilities in order to manage the overall risk exposure.

**2. Composition of Members**

The Board of Directors shall elect the Risk Management Committee members from amongst themselves, comprising no fewer than two (2) members, of which a majority of whom are independent.

If a member of the Risk Management Committee ceases to be a member with the result that the number of members is reduced below two (2), the Board shall, within three (3) months of that event, appoint such number of new member(s) as may be required to make up the minimum number of two (2) members.

No alternate director of the Board shall be appointed as a member of the Risk Management Committee.

**3. Chairman**

The Chairman of the Risk Management Committee shall be elected from amongst the Risk Management Committee members who shall be an Independent Director. The Chairman of the Committee shall be approved by the Board of Directors.

**4. Secretaries**

The Secretaries of the Risk Management Committee shall be the Company Secretaries of the Company.

**5. Meetings**

The Risk Management Committee may hold regular meetings for the despatch of business, adjourn and otherwise regulate their meetings, at least once a year or more frequent as deemed necessary and should report to the Board of Directors. The Chairman may call for additional meetings at any time at the Chairman's discretion.

(Terms of Reference of Risk Management Committee - cont'd)

The Secretaries shall on the requisition of the members of the Risk Management Committee summon a meeting of the Risk Management Committee except in the case of an emergency, reasonable notice of every Risk Management Committee meeting shall be given in writing.

In the absence of the Chairman, the members can elect from amongst themselves the Chairman for the meeting.

**6. Quorum**

A quorum shall consist at least two (2) members.

**7. Circular Resolutions**

A resolution in writing signed or approved by email, letter, telegram, telex, telefax or digital messaging services by all the Risk Committee Members and who are sufficient to form a quorum, shall be as valid and effectual as if it had been passed at a Meeting of the Risk Management Committee duly called and constituted. All such resolutions shall be described as "Risk Management Committee Members' Resolutions in Writing" and shall be forwarded or otherwise delivered to the Secretaries without delay, and shall be recorded by him in the Company's Minutes Book. Any such resolution may consist of several documents in like form, each signed by one (1) or more Risk Management Committee Members.

**8. Authority**

The Risk Management Committee is authorised by the Board of Directors to investigate any activity within its terms of reference. It has free access to all information and documents it requires for the purpose of discharging its functions and responsibilities.

The Risk Management Committee is also authorised to obtain legal or other independent professional advice as it considers necessary as well as to appoint Risk Management Sub-Committees.

**9. Duties and Responsibilities**

The duties and responsibilities of the Risk Management Committee are as follows:-

- Reviewing existing controls that may reduce the key risk factors of the Company.

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(Terms of Reference of Risk Management Committee - cont'd)

- Reviewing and recommending risk management strategies, policies and risk tolerance for the Board's approval.
- Reviewing and assessing the adequacy of risk management policies and framework for identifying, measuring, monitoring and controlling risks as well as the extent to which these are operating effectively.
- Ensuring adequate infrastructure, resources and systems are in place for an effective risk management i.e. ensuring that the staff responsible for implementing risk management systems perform those duties independently of the insurer's risk-taking activities.
- Reviewing the management's periodic reports on risk exposure, risk portfolio composition and risk management activities.

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