

ZHULIAN®

ZHULIAN CORPORATION BERHAD

Company No. 199701000031 (415527-P)

(Incorporated in Malaysia)

TERMS OF REFERENCE
**RISK MANAGEMENT
COMMITTEE**

1. Objectives

In accordance with the MCCG, the Risk Management Committee (“the Committee”) is set up to ensure that a risk management framework is embedded throughout Zhulian Corporation Berhad and its subsidiaries (“the Group”). The Committee shall ensure that the risk management framework is consistently adopted throughout the Group and is within the parameters established by the Board.

2. Composition

The Committee shall consist of Directors of the Group, the majority of whom are independent and shall be appointed by the Board. The Committee shall comprise no fewer than two (2) members. The appointment of a Committee member shall automatically be terminated if the member ceases for any cause to be a Director, or as determined by the Board.

The members of the Committee shall elect a Chairman from amongst any of its members. In the absence of the Chairman of the Committee, the members present shall elect one (1) of its member to chair the meeting.

In the event that a member of the Committee retires, resigns or ceases to be a member, for any other reason, resulting in non-compliance of the terms prescribed; the Board shall, within three (3) months of that event, appoint such number of members as may be necessary to fulfil the requirements.

3. Secretary to the Committee

The Company Secretary shall be the Secretary of the Committee or in her absence, another person authorised by the Chairman of the Committee.

4. Meetings

The Committee shall meet at least once a year.

5. Reporting Procedures

The Secretary shall be responsible for keeping the minutes of the meeting of the Committee and make it available to all members of the Board upon request. The Committee, through its Chairman, shall report to the Board at the Board meeting after each Committee meeting.

6. Meeting Procedures

The Committee shall regulate its own procedures, in particular:

- (a) the calling of meetings;
- (b) the notice of at least seven (7) days to be given to such meetings;
- (c) the voting and proceedings of such meetings;
- (d) the keeping of minutes; and
- (e) the custody, production and inspection of such minutes

The meetings of the Committee may be conducted by means of telephone conferencing or other methods of simultaneous communication by electronic or telegraphic means and the minutes of such meeting signed by the Chairman shall be conclusive of any meeting conducted as aforesaid.

7. Quorum

The quorum for a meeting of the Committee shall be two (2) members.

8. Voting

Each member present shall have one (1) vote. All resolutions passed in the meeting shall be by majority votes. In the event of an equality of votes, the Chairman of the meeting shall have a casting vote.

9. Attendance by invitation

Other Directors, key Executives and employees or any other person deemed necessary to be in attendance to assist in deliberation may attend any particular meeting only at the Committee's invitation.

10. Authority of the Committee

The Committee in performing its duties shall in accordance with a procedure to be determined by the Board of Directors:

- (a) Have the resources which are required to perform its duties;
- (b) Have full and unrestricted access to any information pertaining to the Group;
- (c) Be able to obtain independent professional advice; and
- (d) Be able to secure the attendance of external advisers and shall have the discretion to decide who else other than its own members to attend meetings, if it thinks fit

11. Duties and responsibilities

- (a) To make recommendations to the Board on appropriate policies and procedures relating to risk management governance, risk management practices and risk control infrastructure for the Group;
- (b) To review, discuss and recommend to the Board the Group's risk appetite, risk tolerance and strategy relating to key risks as well as guidelines, policies and processes for monitoring and mitigating such risks including contingency and business continuity programmes;
- (c) To review and assess the processes and systems and to identify and report on risk-management deficiencies, including emerging risks, on an enterprise-wide basis on timely basis;
- (d) To monitor compliance with the Group's risk limit structure and policies and procedures relating to risk management governance, practices and risk controls in accordance with the overall risk profile of the Group;
- (e) To ensure effective and timely implementation of corrective actions to address risk management deficiencies;
- (f) To monitor regularly of processes and procedures to ensure the effectiveness of its internal systems of control by reviewing key risk areas and key performance indicators;
- (g) To assist the Board in its responsibility for disclosure in relation to risk management in the annual report; and
- (h) To carry out other responsibilities, related functions or assignments as may be defined by the Board from time to time.

12. Review

The Terms of Reference will be subjected to review from time to time by the Committee and any amendments are to be approved by the Board before becoming effective.