

# **HB GLOBAL LIMITED**

(Company Registration No. 200608505W)

(Incorporated in Singapore under the Companies Act (Chapter 50) of Singapore)

(Malaysian Foreign Company Registration No. 200902000048 (995221-H))

(Registered as Foreign Company in Malaysia under the Companies Act, 1965 of Malaysia)

## **TERMS OF REFERENCE FOR RISK MANAGEMENT COMMITTEE**

### **1. OBJECTIVE**

The objective of the Risk Management Committee (“RMC”) are to assist HB Global Limited (“HB Global” or “the Company”) Board of Directors (“Board”) to fulfil its responsibilities with regard to risk management in order to manage overall risk exposure for HB Global. The RMC is also responsible to determine that there is a proper and comprehensive process in place for identifying, assessing and monitoring key business risks to safeguard shareholders’ investment and the Company’s assets.

### **2. COMPOSITION**

The committees of RMC shall be appointed by the Board from amongst the Directors of the Company and shall comprise of at least three (3) members of which majority of whom must be Independent Non-Executive Directors.

The RMC members shall have a mixture of expertise and experience, including sufficient understanding of the industries in which the Group operates. The RMC shall elect a Chairman from among its members and the elected Chairman shall be an Independent Non-Executive Director.

If a member of the RMC resigns or for any other reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall, within three (3) months from the date of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

### **3. POWER & AUTHORITY**

The RMC is authorised by the Board and at the expense of the Group to perform the following:

- a) to make decision on matters which fall within the purpose and responsibilities of the RMC;
- b) to seek information and have unrestricted access to information pertaining to the Group and the Management, to fulfil its primary purpose and responsibilities;
- c) to appoint an independent party to conduct or to assist in conducting any investigation, upon the terms of appointment to be approved by the Board

#### **4. DUTIES AND RESPONSIBILITIES**

In fulfilling its primary objectives, the RMC shall undertake, amongst others, the following duties and responsibilities:

- i) Oversee and recommend appropriate risk management framework and measurement methodologies across the Group;
- ii) Review and recommend risk management strategies, policies and level of risk tolerance for the Board's approval;
- iii) Identify, assess and monitor key business risks and review the extent to which key business risks are being managed;
- iv) Review and recommend changes as needed to ensure that the Group has in place at all times a risk management policy which addresses the strategic, operational, financial and compliance risks;
- v) Ensure the infrastructure, resources and systems are in place and adequate for risk management;
- vi) Review management's periodic reports on risk exposure, risk portfolio composition and risk management activities;
- vii) Review the enterprise risk rating and determine the critical risks to be escalated to the Board as and when necessary; and
- viii) Review and recommend the statement on risk management and internal control, for approval by the Board.

#### **5. MEETINGS OF THE COMMITTEE**

The RMC shall meet at least one (1) time in a financial year, although additional meetings may be called at any time at the discretion of the Chairman of the RMC.

Other than in circumstances which the Chairman of the RMC considers inappropriate, the Executive Directors, Senior finance manager, the representatives of the internal auditors and external auditors will attend any meeting of the RMC to express their views on any matter under consideration by the RMC or which in their opinion, should be brought to the attention of the RMC. Other senior management team may attend the meeting upon the invitation of the Committee.

In the event the elected Chairman is not able to attend a meeting, a member of the RMC shall be nominated as Chairman for the meeting. The nominated Chairman shall be an Independent Non-Executive Director.

The meeting of the RMC may be conducted via face-to-face or by means of a telephone conference, video conference or any communication technology, which allows all members of the RMC participating in the meeting to communicate simultaneously with each other, or other appropriate means as determined by the RMC.

## **6. QUORUM**

The quorum for a meeting of the RMC shall consist of not less than two (2) members, majority of members present must be Independent Non-Executive Directors.

## **7. NOTICE OF MEETINGS**

Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the committee, any other person required to attend and all other non-executive directors, no later than seven (7) days before the date of the meeting. Supporting papers shall be sent to committee members and to other attendees as appropriate, at the same time.

## **8. CIRCULAR RESOLUTION**

A resolution in writing, signed or approved by letter, telegram, telex, telefax or electronic means by a majority of the RMC's members present in Malaysia for the time being entitled to receive notice of a meeting of the RMC, shall be as valid and effectual as if it had been passed at a meeting of the RMC duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more of the members of the RMC.

## **9. REVISION AND UPDATES**

Where necessary, this Terms of Reference will be reviewed and updated to ensure it remains consistent with the RMC's objectives and responsibilities.

**END.**