

MAGNUM BERHAD (24217-M)

GROUP RISK MANAGEMENT COMMITTEE

TERMS OF REFERENCE

(1) COMPOSITION

Members

The Board of Directors (“**the Board**”) shall appoint a committee of non-executive directors to perform the role of the Group Risk Management Committee (“**GRMC**”). The GRMC must consist of at least three members.

Chairman/Chairperson

The Chairman/Chairperson of the GRMC must be an independent non-executive director.

Secretary

The Company Secretary of Magnum Berhad (“**Magnum**”) shall act as the Secretary of the GRMC.

(2) AUTHORITY

The GRMC shall have the authority to make decision on matters which fall within the purpose and responsibilities of the GRMC.

The GRMC shall also have the authority to seek information and have unrestricted access to anyone in the Group and to information pertaining to the Group in order to fulfill its responsibilities.

(3) RESPONSIBILITIES

The GRMC is responsible for:-

- (i) Defining and recommending the Magnum Group’s risk management principles, strategies, framework, policies and, process as well as risk appetite and tolerance, for consideration and approval by the Board;
- (ii) Reviewing and assessing the adequacy and effectiveness of Magnum Group’s Enterprise Risk Management Framework and its overall implementation for identifying, measuring, monitoring and managing risks to ensure that they remain relevant and appropriate to the Group’s business;
- (iii) Ensuring adequate infrastructure, resources and systems are in place in the Magnum Group for an effective risk management system;
- (iv) Reviewing and monitoring the risk management exposure of the Magnum Group;

- (v) Reviewing any significant risks and risk exposures that exist in the Magnum Group and assessing the steps taken by the Management to minimize such risks to the Group.
- (vi) Overseeing the compliance function and monitoring the overall compliance of the Group with the internal policies, statutory and regulatory requirements as well as guidelines for the Group.

(4) MEETINGS AND REPORTING PROCEDURES

- (i) The GRMC shall meet at least twice a year and at such other time(s) as it deems necessary to fulfill its responsibilities.
- (ii) The quorum for the GRMC shall be two (2).
- (iii) The Executive Director, the Chief Financial Officer, the Risk Management Officer and other directors as well as employees shall attend any particular GRMC meeting only at the invitation of the GRMC.
- (iv) The Secretary of the GRMC is responsible for:-
 - (i) drawing up the agenda in consultation with the Chairman, and circulating it, supported by explanatory documentation, to the committee members prior to each meeting;
 - (ii) recording attendance of all members and invitees;
 - (iii) preparing and keeping minutes of meetings.
- (v) The GRMC meeting minutes are to be extended to the Board for notation. The GRMC may from time to time submit to the Board its recommendation(s) on risk related matters within its purview for the Board's decision.

Approved by the Board of Directors
of Magnum Berhad on **26 May 2016**.