



**ALAM MARITIM RESOURCES BERHAD**

**BOARD RISK MANAGEMENT COMMITTEE**  
**TERMS OF REFERENCE**

Revision 01 : 19 May 2021

The Board Risk Management Committee (“BRMC”) shall be established to assist the Board in fulfilling its oversight responsibilities. The BRMC shall review and ensure that the process of assessing risk, control, mitigation and action plan including operational and financial controls, are properly managed and monitored.

**(a) COMPOSITION**

The BRMC shall comprise of at least five (5) directors, the majority of whom are independent Non-Executive members. The members of the BRMC shall be appointed by the Board of Directors and the Chairman shall be Independent Non-Executive Director. The Group Chief Financial Officer, Head of Risk Management attended BRMC meetings as invitees.

The BRMC delegates to the Group Risk Management Working Committee (“GRMWC”) the responsibility for creating a risk-aware culture and building the necessary knowledge for risk management at every level of management. The GRMWC is responsible for ensuring the effective implementation of the Group Risk Management Framework and the management of risks and controls associated with Group operations as well as compliance to applicable Laws, Regulations and Requirements. The GRMWC is also responsible for periodical reporting of key risk exposures to the BRMC.

The GRMWC comprises the Group Managing Director, Group Chief Operating Officer, Group Executive Directors, Group Chief Financial Officer, Head of Business Units, Head of Risk Management, Head of Group Legal & Insurance together with Heads of relevant Division and Departments as invitees.

All members of the BRMC shall be risks literate and have the ability:

- To read and understand likelihood of an occurrence and impact or consequences
- To analyses associated impact on company’s operations against risk factors; and
- To understand and interpret the risk mitigation, its action plan strategy and effectiveness.

In the event of any vacancy in the BRMC resulting in the non-compliance of subparagraph 15.09(1) of the Bursa Malaysia Listing Requirements, the Board shall fill the vacancy within three (3) months from the date of the vacancy.

**(b) CHAIRMAN**

An Independent Non-Executive Director shall be the Chairman of the BRMC.

**(c) MEETINGS AND MINUTES**

The BRMC shall meet at least four times annually.

The Group Company Secretary shall be the Secretary of the BRMC and will record, prepare and circulate the minutes of the meetings of the BRMC and ensure that the minutes are properly kept and produced for inspection, if required. The BRMC shall report to the Board and its minutes tabled and noted by the Board.

**(d) QUORUM**

A majority of the members in attendance must be Independent Directors in order to form a quorum for the meeting.

**(e) AUTHORITY**

The BRMC is authorised by the Board to review any activity within the BRMC's terms of reference.

The BRMC is authorised to seek any information the BRMC requires from any Director or member of management and has full and unrestricted access to any information pertaining to the Group and the Management, and all employees of the Group are required to comply with the requests made by the BRMC.

**RESPONSIBILITIES AND DUTIES**

The responsibilities and duties of the BRMC are:

**(f) RISK REPORTING**

The Risk Management Framework provides for regular review and reporting. On continuing basis, the Group Internal Audit & Risk Management department co-ordinates with all the operating units to regularly review and update the group risk register. Potential major risks and mitigation plans and action taken were discussed at GRMWC and are reported to the BRMC and the Board of Directors.

To ensure that our RMF and processes remain sound and are in compliance with National and International recognised standards, we had revised our existing Matrix and renamed Business Risk Assessment (BRA) and will incorporate into existing procedures.

**(g) ACCOUNTABILITY AND TOLERANCE FOR RISK MANAGEMENT**

Managing risks is a shared responsibility and is integrated within the Group's governance, business processes and operations. Employees' and Management's commitment towards risk management process is constantly emphasized and reinforced through the establishment of GRMWC and group discussion together with the monitoring and facilitation exercise by the Group Internal Audit and Risk Management department.

Our level of risk tolerance is expressed through the use of a risk impact and likelihood matrix with an established risk tolerance boundary demarcating those risks that are deemed to have "exceeded risk tolerance" and those which have not. We have clear risk mitigation and action plan guidance on the actions to be taken for the relevant risks level.

**(h) OTHER MATTERS**

To act on any other matters as may be directed by the BRMC.