



JAYCORP BERHAD

(Company No.:459789-X)

ENTERPRISE RISK MANAGEMENT COMMITTEE

TERMS OF REFERENCE

1. Introduction

The Board of Jaycorp Berhad (“Jaycorp”) (“the Board”) has approved on the establishment of Enterprise Risk Management Committee (“ERMC”) to monitor the Company’s compliance and risk management oversight to its business operations.

The TOR provided in this document are intended as a framework within which the ERMC may operate. The Committee’s activities performed are related to compliance and risk oversight of the Company’s operations and activities as based on the approved TOR.

2. Composition

The ERMC shall be appointed by the Board Risk Management Committee (“BRMC”) from amongst the Senior Management and consist no fewer than three (3) members. The Chairman of the ERMC shall be elected from among their members and approved by the BRMC. No alternate representative shall be appointed as a member of the ERMC.

3. Roles and Responsibilities

The responsibilities, duties and authorities of the ERMC include the following:

- I. Monitor the consistent enforcement of ERM Framework and process throughout the organisation;
- II. Communicate requirements of the ERM Framework to all personnel across Jaycorp and ensure continuous enhancement of ERM;
- III. Formulate and implement ERM mechanism to accomplish requirements of the ERM Policy;
- IV. Review the risk appetite, risk parameters, risk profiles, risk treatment options and risk action plans status monitoring;
- V. Provide guidance and advice on appropriateness of risk treatment option selected and risk action plans development;
- VI. Articulate and challenge risk ratings, control effectiveness, risk treatment options and risk action plans identified by Risk Owners;
- VII. Ensure that the ERM reports prepared are submitted to BRMC / Board in a timely manner, and flash reports are submitted in the event of any new risk(s) that required urgent attention; and
- VIII. Annual review on the ERM Policy and consider to adopt best practices based on corporate governance framework.

The ERMC shall be provided with sufficient resources to perform its duties and shall have access, at the Company's expense, to independent advice if necessary.

4. Authority

The ERMC is authorized by the BRMC to:

- I. Have full, free and unrestricted access to information, records, properties and personnel of the Company and of any other companies within the Group;
- II. Seek information that it requires from any Director, officer and employee of the Company and all such individuals are directed to cooperate with any request made by the ERMC.
- III. Obtain outside legal or independent professional advice, at the Company's expense, and secure the attendance at Committee meetings of such third parties with relevant experience and expertise as it considers necessary.

5. Meetings

I. Notice

Unless otherwise agreed by all ERM C members, a meeting of the ERM C shall be called by at least seven (7) days' notice, together with the list of meeting agenda and relevant papers to be presented.

A member of the ERM C may, and on the request of a member of the ERM C, the secretary shall, at any time summon a meeting of the ERM C.

II. Frequency of Meetings

Meetings shall be held not less than two (2) times a year. Unless otherwise agreed, notice of every meeting, confirming the venue, date and time together with an agenda of items and supporting papers to be discussed shall be forwarded to each ERM C member. Member may request a meeting if he / she considers necessary.

III. Quorum

The quorum of the ERM C meeting shall be at least two (2) members of the ERM C (one of whom shall be the Chairman).

IV. Attendance at Meeting

The Head of Business Division / Subsidiary shall attend the Committee meetings. Other senior management team may attend the meeting upon the invitation of the Committee. ERM C may obtain external professional advice and assistance to enable it to discharge its duties as it considers appropriate.

The Company Secretary shall be the secretary of the Committee.

V. Minutes of Meeting

Minutes of the proceedings of Committee meetings shall be recorded by the Secretary, approved in draft form by the Chairman and circulated to all the Committee members. Wherever possible, minutes of ERM C meetings will be confirmed at the next meeting and signed by the Chairman.

6. Review of the Terms of Reference

The terms of reference shall be reviewed on an annual basis to ensure that it reflects current best practice in corporate governance. This term of reference was reviewed on 17 October 2018.