
 PELABURAN HARTANAH BERHAD	TERMS OF REFERENCE BOARD RISK COMMITTEE		
	Effective Date December 2020	Version no. 1.0	Revision no. 02

Pelaburan Hartanah Berhad
Board Risk Committee
Terms of Reference


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1.0 PURPOSE OF THE TERMS OF REFERENCE (TOR) OF THE BOARD RISK COMMITTEE

- 1.0 The Board of Directors (the Board) of the Pelaburan Hartanah Berhad (PHB) had at its meeting on 31 July 2006 approved the setting up of Board Risk Committee (Committee) to assist the Board in the effective discharge of their responsibilities.
- 1.1 The purpose of this Terms of Reference (TOR) is to outline the general policies as well as specific roles, responsibilities and authorities that govern the Committee.
- 1.2 In order to ensure the effectiveness of the Committee's roles, taking into consideration of the best practices of corporate governance, this TOR will be reviewed and revised, if necessary, on biannually basis.

2.0 COMPOSITION AND CHAIR

- 2.1 The Committee shall comprise a minimum of three members, consisting of a Chairman appointed by the Board from amongst the PHB directors, one other director and any other persons selected and approved by the Board.
- 2.2 The Management of PHB shall be represented by the Group Managing Director/ Chief Executive Officer (Group MD/CEO) and any other relevant parties who shall appear before the Committee as and when required by the Committee.
- 2.3 The Office of the Company Secretary will provide secretarial services to the Committee.
- 2.4 The Head Risk Compliance and Integrity Management Department (HRCIMD) will provide executive support to the BRC and will attend all meetings of the BRC, unless the Chairman of the BRC decides otherwise.
- 2.5 The Office of the Company Secretary will provide secretarial services to the BRC.

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3.0 DUTIES AND FUNCTIONS

3.1 Evaluating and Overseeing the Principal Risks of PHB

3.1.1 The Committee will review and challenge, where necessary, the risk information it receives in order to identify, evaluate and oversee the principal risks and uncertainties relating to the Group by using such qualitative and quantitative metrics as may be appropriate such as stress and scenario testing and advise the Board accordingly.


This will include but not limited to the following expectations:

- a. approving risk methodologies for measuring and managing risks arising from the Group business and operational activities;
- b. ensuring that there are clear and independent reporting lines and responsibilities for the overall business activities and risk management functions;
- c. reviewing Group policies prior to the approval of the Board;
- d. reviewing of risk management processes and systems throughout Group; and
- e. monitoring, in a sufficiently accurate and timely manner, of particular significant exposures or risk types, the actions being taken to mitigate those risks and the impact on the Group's current and future position.

The Committee shall give guidance on the information it wishes to receive for the above purposes and, to the extent feasible, shall seek positive rather than negative assurance from the assurance functions.

3.1.2 The Committee will evaluate and recommend to the Board the risk profile and risk appetite of the Group on a periodic basis and shall ensure that they are aligned with the Group's strategy. In preparing its advice to the Board on the Group's overall risk appetite, risk profile and risk strategy, the BRC shall take into account the current and prospective macroeconomic and financial environment, drawing on reviews and areas of concern that are authoritatively published relevant for the risk policies of the Group.

3.1.3 The Committee will review PHB's Enterprise Risk Management (ERM) Report, biannually and subsequently table the high level ERM Report to the Board for notification. The ERM report should provide an overall Group's consolidated risk profile that includes the associated risk mitigation and controls commensurate with the risk profile.

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3.1.4 The BRC being the governing body to provide Board's oversight function on the effectiveness implementation of anti-bribery and anti-corruption management system established for the Group, that includes:


- a. the adoption, implementation and compliance of Anti-Corruption Policy and related policies, guidelines and SOP by the Board, Management, employees and business associates. Management Risk Committee (MRC) is expected to assist BRC in fulfilling its responsibility;
- b. the performance and activities of Integrity and Governance Unit (IGU) and Anti-Corruption Committee (ACC);
- c. the adequacy and effectiveness of controls established in day-to-day business process and activities to prevent any possible/ potential corruption risks; and
- d. the coordination of the assessment and investigation on corruption cases/ concerns reported by internal and external parties.

3.1.5 The Chairman of BRC is expected to fulfil his/her roles as the Recipient of Whistleblowing's as specified in the Whistleblowing Policy.

3.2 Risk, Compliance and Integrity Management Procedures

3.2.1 The Committee will oversee and advise the Board upon the embedding and maintenance throughout PHB of a supportive risk management culture and is to be satisfied that the business is effectively managing and monitoring its risks in order to ensure:

- a. effective delegation of risk management, governance and compliance responsibilities across the Group;
- b. current and emerging key risks are identified and effectively managed;
- c. management action plans to mitigate key risks are being implemented effectively; and
- d. material incidences with Group-wide implications are managed effectively, that remedial action is taken and that lessons learned are uncompromisingly implemented.

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3.3 Head of Risk Compliance and Integrity Management Department (HRCIMD)

3.3.1 The Committee will:


- a. review the activities of the HRCIMD and the effectiveness of the HRCIMD's functions in managing PHB' risk, governance and compliance;
- b. draft and propose the Group's policies for the review of Board Risk Committee and approval of the Board
- c. review the Standard Operating Procedures proposed by business units/ department prior to the approval of Management Risk Committee (MRC)
- d. review the Risk Compliance and Integrity Management Department (RCIMD) and HRCIMD's Job Description (JD) and Key Performance Indicator (KPI), annual plan, budget and resourcing.

3.3.2 The HRCMD will communicate regularly with the Chairman of the BRC and will have the right and responsibility to elevate issues to the Chairman of the BRC where he/she considers it necessary in the furtherance of his/her responsibilities.

3.3.3 To assist the Committee in discharging its duties, the BRC will receive regular reports from the HRCIMD and, as appropriate, from the Heads of Property Management, Retail Management, Project Management, Finance and Operations, Human Resource and Administration, Legal and Company Secretariat and other departments within the Group.

3.4 Role of the BRC in Strategic Transactions

The Committee will take such steps as appropriate to satisfy itself that the due diligence processes followed for any proposed strategic acquisitions, disposals or joint ventures are thorough and will review the key conclusions of the due diligence processes, focusing in particular on risk aspects and implications for the risk appetite and tolerance, drawing on independent external advice, where appropriate, and reporting its conclusions to the Board.

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4.0 COMMITTEE PROCEDURES

- 4.1 The Committee shall meet on a quarterly basis or more frequently if required and will be convened and conducted on the same principles as those that apply to the Board.
- 4.2 Quorum - a meeting of the Committee shall be taken to be convened if at least 2 of the Members are present.
- 4.3 In the absence of the Chairman, the Members present shall nominate the Chairman for the meeting from amongst them.
- 4.4 A meeting may be held by the Committee Members communicating with each other by any technological means such as conference call, provided that the physical meeting venue must be determined and the method of conducting the meeting must be recorded in the minutes of meeting.
- 4.5 Relevant information and schedules required for the meeting should be prepared by the management of PHB prior to the meeting. No Members of the Committee or any officer, employee or agent of the PHB or any person attending any meeting of the Committee shall disclose any information which has been obtained by him or her in the course of their duties and which is not published except:
 - a. for the purpose of any civil or criminal proceeding under any written law; or
 - b. where otherwise authorized by the Board.

In respect of confidentiality of information, such information shall not be used by anyone within the Group to derive personal gains or for any purpose other than that intended by and for the Group.

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