

RISK MANAGEMENT COMMITTEE TERMS OF REFERENCE

1. CONSTITUTION

The Board of Directors (“the Board”) of Sealink International Berhad (“Sealink” or “the Company”) establishes a committee known as the Risk Management Committee which comprises a majority of independent directors, to oversee the Company’s risk management framework and policies. The Terms of Reference of the Risk Management Committee is available on Sealink’s website at www.asiasealink.com.

The function of the Risk Management Committee shall extend to Sealink and all its subsidiary companies (collectively known as the “Group”).

2. OBJECTIVES

The primary objectives of the Risk Management Committee are:

- to establish and maintain a common understanding of the Group’s risk inventory, which needs to be managed in order to meet corporate objectives;
- to ensure that a proper risk assessment is carried out and that a risk profile of the Group is compiled by Management;
- to identify on an ongoing basis the top five (5) business risks faced by the Group, including the action plans to mitigate the risks to acceptable levels, taking into account the risk appetite of the Board;
- to monitor the Group’s systems of risk management and internal control as well as the assurance activities thereof; and
- to report to the Board and the Audit Committee on the risk management activities undertaken and the extent of any action taken by Management to address areas identified for improvement.

3. MEMBERSHIP

The Risk Management Committee comprises of the following:

- Executive Director (Chairman); and
- 2 Independent Non-Executive Directors.

Other employees in the Group may be invited to attend the Risk Management Committee meetings in respect of agenda items that require their presence for the purpose of briefing the Committee.

All members of the Risk Management Committee shall have a working knowledge of risk management. The members of Risk Management Committee shall be knowledgeable about the affairs of the Group, and where appropriate, specific skills shall be represented on the Risk Management Committee.

Members of Risk Management Committee may enhance their familiarity with risk management by participating in educational programmes conducted by the Company or external consultants.

4. SECRETARY

The Company Secretary shall act as Secretary of the Risk Management Committee.

5. PROCEEDINGS

- 5.1 The Risk Management Committee shall meet at least one (1) time annually prior to scheduled Audit Committee meeting, with due notice of issues to be discussed sent to members of the Committee, and shall record its conclusions in discharging its duties and responsibilities. The Chairman may call for additional meetings at any time at his discretion.
- 5.2 The quorum for a meeting shall be two (2) members including at least one (1) independent non-executive director.

6. AUTHORITY

- 6.1 The Chairman of Risk Management Committee shall report the proceedings of each meeting to the Audit Committee, with focus on the status of risk management activities that have been carried out, including key risks faced by the Group and the mitigating measures and action plans that are being taken to address the said risks.
- 6.2 The Board supports the establishment of the Risk Management Committee as it has a responsibility to monitor and review the risk management strategy of the Group and the Risk Management Committee assists the Board in fulfilling this responsibility.
- 6.3 Accordingly, the Risk Management Committee is vested with power, without the need for approval by the Audit Committee or the Board, to:
 - investigate any activities within its terms of reference;
 - seek outside legal or other independent professional advice;
 - secure the attendance of outsiders with the relevant experience and expertise; and
 - seek any information it requires from any employee, and all employees are directed to cooperate with any requests made by the Risk Management Committee.

7. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Risk Management Committee are as follows:

- review the business risks identified by process owners of the Group and reported to the Risk Management Committee to determine the comprehensiveness of business risks identified and appropriateness of the residual risk ratings against pre-set key risk indicators and/or key performance indicators;
- establish and monitor the completeness and timeliness of implementation of risk action plans and strategy;
- consider emerging risks and their implication to the Group's financial performance, including the deployment of pertinent remedial measures to address the concerns;

- keep abreast of changes to the Group's risk profile, including rationale for business risks that are dropped from the Group's risk profile as well as new risks that are identified and added to the risk profile; and
- on an annual basis, provide assurance to the Audit Committee and the Board on the adequacy and operating effectiveness of the Group's risk management system to assist the Board in relation to the Internal Control Statement which is required in the Annual Report of the Company.

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