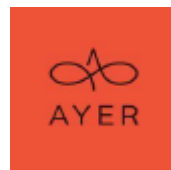


***BOARD  
RISK  
COMMITTEE***

**TERMS OF REFERENCE**



**AYER HOLDINGS BERHAD - 190701000003 (37-K)**

Updated as at 27 May 2020

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**A. OBJECTIVES**

The principal objectives of the Board Risk Committee (“BRC”) are to:-

1. Assist the Board of Directors (“Board”) of AYER Holdings Berhad (“AYER” or “Company”) and its subsidiaries (“Group”) in their responsibilities to identify, assess and monitor key business risks to safeguard shareholders’ investments and the Company assets;
2. Review and recommend risk management policies and strategies of the Group for Board approval; and
3. Assist the Board in ensuring that the management maintains a sound system of internal controls and risk management processes to safeguard and enhance the value of the organisation.
4. Assist the Board in ensuring Board members adopt a zero-tolerance approach to bribery and corruption in all its forms and that the Board members shall display leadership and commitment in the aspect of corruption prevention within the company via the Code of Conduct and Ethics and Whistleblowing policies which sets standard of behaviour as part of the adequate procedures to prevent corruption and bribery expected from all Directors, Management, employees and where applicable business partners.

**B. COMPOSITION**

1. The BRC members shall be appointed by the Board from amongst their number and shall consist a minimum of two (2) members, all of whom shall be Non-Executive Directors;
2. No Alternate Director shall be appointed as a BRC member; and
3. The Chairman of the BRC (“Chairman”) shall be elected from amongst the BRC members approved by the Board. In the absence of the Chairman, the other remaining BRC members shall decide among themselves on whom to take up the Chairman position for such meeting.

**C. AUTHORITY**

The BRC shall have the following power and authority and at the cost of the Company:-

1. to have full and unrestricted access to all information and documents / resources within the Group to perform its duties;
2. to appoint or invite external parties for the purposes of obtaining independent professional advice, expertise and services if the BRC considers it as necessary;
3. to invite any employees of the Group to attend BRC meetings and to brief the BRC on matters being deliberated; and
4. to provide recommendations to the Board for consideration and approval.

**D. FUNCTIONS AND DUTIES**

The main functions and duties of the BRC shall include, but are not limited to the following:-

1. to provide oversight and direction to the management risk committee in relation to risk management within the Group level;
2. to ensure that the policies and procedures are consistent with the risk management structure and implemented accordingly;
3. to periodically review existing policies and procedures and recommend to the Board on any required proposed changes; and
4. to review and ensure that the relevant information is disclosed in the statement on risk management and internal control in the Group's annual report.
5. to ensure all Directors, Management, employees and where applicable business partners are committed to performing professionally, fairly and with integrity in all area of business dealings and relationships. Hence, all employees are to adhere to the Code and AYER policies while they are conducting business on behalf of the Group.
6. to ensure that employees must comply strictly to the Malaysian Anti-Corruption Commission Act 2009 (revised 2018) ("MACC Act"). Under the MACC Act, gratification has been widely defined to include, among other things:
  - a) money, gift, donation;
  - b) valuable consideration of any kind;
  - c) any contracts;
  - d) forbearance to demand any money or moneys worth or valuable thing;
  - e) any other service or favour of any description.

**E. QUORUM AND CONDUCT OF MEETINGS**

1. The quorum for a meeting of the BRC shall be two (2) members.
2. The BRC shall convene a meeting at least two (2) times in a year.
3. Except as outlined above under this header, BRC meetings shall be conducted in accordance with the provisions contained in the company's constitution for TAHPS, specifically on the provisions governing the proceedings for Directors meeting. Any

member taking leave from the meeting shall notify the secretary of the Chairman at least twenty (24) hours before the scheduled meeting.

4. The meeting shall commence after ten (10) minutes from the scheduled time of such meeting upon the quorum of two (2) members being present. If the Chairman is not present after ten (10) minutes, the Committee members present may elect a Chairman for that meeting and the proceedings can continue.
5. The Chairman of the BRC shall report to the Board at each Board meeting, on matters deliberated by the Committee since the previous Board meeting.
6. A meeting of the BRC shall normally be conducted face-to-face to enable effective discussion; however, meetings may also be conducted via telephone conferencing, video conferencing or other appropriate means of which all members participating in the meeting can listen and hear each other. Such participation in a meeting shall constitute presence in person at such meeting.
7. The BRC may from time to time, consider and/or recommend relevant matters for approval via a circular resolution in writing, in lieu of formally convening a meeting. The circular resolution shall be as valid and effectual as if it has been passed by a meeting of the BRC duly convened and must be signed or approved by all BRC members.

#### **F. REVIEW OF THE TERMS OF REFERENCE**

The BRC shall recommend any changes to its terms of reference in such matters as the BRC deems appropriate to the Board for approval. The terms of reference shall be assessed, reviewed and updated where necessary if there are any compulsory changes required in accordance with any legislation, regulations, directives or order in law. It shall also be reviewed and updated when there are changes to the direction or strategies of the Group that may affect the BRC's role.

[End of Term of Reference]