

## **Audit and Risk Management Committee**

The Audit & Risk Management Committee was formed by our Board on [xx/xx/xxxx] and it consists of three (3) Independent Non-Executive Directors.

### **Duties and Responsibilities**

The following are, amongst others, the main duties and responsibilities of our Audit and Risk Management Committee: -

- (i) External audit
  - (a) to review any letter of resignation from, or re-appointment of, the external auditors of our Company, to recommend to our Board any matter relating to the appointment of external auditors, the fees and any matter in relation to resignation or dismissal of the external auditors, to review the engagement of non-audit services by the external auditors;
  - (b) to monitor the effectiveness of the external auditors' performance and their independence and objectivity;
  - (c) to review and discuss with the external auditors:
    - 
    - (1) their audit plan, scope and nature of the audit of our Group;
    - (2) their evaluation and findings of the system of risk management and internal controls and the audit reports on the financial statements;

(3) the assistance given by the management and staff of our Group to the external auditors;

(4) problems and reservation arising from the internal audit, interim and final audits, and matters the internal and external auditors may wish to discuss (in the absence of our management where necessary) and our management's response with regard to the problems and reservations arising from their audits; and

(d) to provide a line of communication between our Board and external auditors.

(ii) Internal audit

(a) to mandate the internal audit function to report directly to the Audit and Risk Management Committee;

(b) to review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;

(c) to review the internal audit programme, processes, audit reports, results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendation of the internal audit function; and to ensure that appropriate and prompt remedial action is taken by our key senior management on lapses in

controls or procedures that are identified by the internal audit; and

(d) to review any appraisal or assessment of the performance of the members of the internal audit.

(iii) Financial reporting review

To review the quarterly results and year-end financial statements before the approval by our Board, focusing particularly on:-

(a) any change in or implementation of accounting policies and practices;

(b) significant matters highlighted, including financial reporting issues, significant judgements made by our management, significant and unusual events or transactions, and how these matters are addressed;

(c) litigation that could affect the results materially;

(d) the going concern assumption; and

(e) compliance with accounting standards and other legal requirements.

(iv) Risk management

(a) to determine, review and recommend risk management strategies, policies and risk tolerance;

- (b) to review and assess adequacy of risk management policies and framework in identifying, measuring, monitoring and controlling risk and the extent to which these are operating effectively;
- (c) to ensure adequate infrastructure, resources and systems are in place for risk management i.e. ensure that the staff responsible for implementing risk management systems perform those duties independently of our Company's risk originating activities;
- (d) to review periodic reports on risk exposure, risk portfolio composition and risk management activities of our Company;
- (e) to review and recommend new policies or changes to policies, and to consider their risk implications;
- (f) to review the impact of risk on capital adequacy and profitability under normal and stress scenarios;
- (g) to review and evaluate the various processes and systems engaged by our Company and to ensure that they are conducted within the standards and policies as set by our Board; and
- (h) to assess the adequacy of the business recovery/ disaster recovery procedures.

(v) Other matters

- (a) to review any related party transactions and conflict of interest situations that may arise in our Group, including any transactions, procedures or courses of conduct that may raise questions on our management's integrity;
- (b) to review the recurrent related party transactions of a revenue or trading nature which are subject to shareholders' mandate, prescribe guidelines and review procedures to ascertain that such transactions are in compliance with the terms of the shareholders' mandate;
- (c) to review our Company's procedures for detecting fraud and whistle blowing and ensure that arrangements are in place by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control or any other matters (in compliance with provisions made in the Act); and
- (d) to carry out any other matters as may be directed by our Board.