

**BRITISH AMERICAN TOBACCO (MALAYSIA) BERHAD**  
(Company No. 4372-M)

**TERMS OF REFERENCE OF THE RISK MANAGEMENT COMMITTEE**

**A. COMPOSITION**

1. The Risk Management Committee shall comprise at least three (3) members, the majority of whom are Independent Directors.
2. The Chairman of the Risk Management Committee shall be an Independent Non-Executive Director.
3. The Company Secretary shall be the Secretary of the Risk Management Committee.
4. No alternate Director shall be appointed as a member of the Risk Management Committee.

**B. AUTHORITY**

1. The Risk Management Committee is authorised by the Board to review any activity within the Risk Management Committee's terms of reference. It is authorised to seek any information it requires from any Director or member of management and have full and unrestricted access to any information pertaining to the Group and the management, and all employees of the Group are required to comply with the requests made by the Risk Management Committee.
2. The Risk Management Committee is authorised by the Board to obtain external professional advice and secure the attendance of any external party with relevant experience and expertise if it considers this necessary, the expenses of which will be borne by the Company.
3. In the event that any member of the Risk Management Committee shall need to seek external professional advice in furtherance of his or her duties, he or she shall first consult with and obtain the prior approval of the Chairman of the Risk Management Committee.
4. Recommend to the Board any appropriate changes to the duties of the Risk Management Committee.
5. The Risk Management Committee to consider the appointment and/or removal of the Chief Risk Officer.
6. The chief Risk Officer shall report status and findings/resolutions to the Risk Management Committee at its meetings.

**C. DUTIES OF THE RISK MANAGEMENT COMMITTEE**

1. To consider annually the Risk Management framework adopted within the Group and to be satisfied that the methodology employed allows the identification, analysis, assessment, monitoring and communication of risks in a regular and timely manner that will allow the Group to minimise losses and maximise opportunities;

2. Review, monitor and assess the effectiveness of the Group's implementation of risk treatment/mitigation action plan(s) for the management and control of the key risks;
3. Review and keep updated of any new or emerging trends of threats, so as to ensure that the management continues to promote risk awareness at all levels within the Group;
4. Review any significant risks that could affect the Group and assess the steps that the management has taken to manage such risks;
5. Business Continuity Management
  - 5.1 Review and deliberate reports on business continuity testing results and recommendations;
  - 5.2 Review the plan and the scope as well as the effectiveness of business continuity plans; and
6. To act on any other matters as may be directed by the Board.

**D. MEETINGS AND MINUTES**

1. The Risk Management Committee shall meet at least four (4) times annually.
2. The quorum for the Risk Management Committee's meeting shall be three (3).
3. The Company Secretary shall record, prepare and circulate the minutes of the meetings of the Risk Management Committee and ensure that the minutes are properly kept and produced for inspection if required.
4. The Risk Management Committee shall report to the Board and its minutes will be tabled to and noted by the Board.
5. A resolution in writing signed or approved by a majority of all members of the Risk Management Committee shall be valid and effectual as if it had been passed at a meeting of the Risk Management Committee. All such resolutions shall be recorded by the Company Secretary in the minutes book. Any such resolution may consist of several documents in the like form, each signed by one (1) or more members of the Risk Management Committee. The expressions "in writing" or "signed" include approval by legible confirmed transmission by way of letter, facsimile, electronic means or other means of communication.